APPENDIX II
ENVIRONMENT
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SUB-APPENDIX II-1
OVERVIEW

II-1.1. **Introduction.** Numerous Federal laws and executive orders establish National policy for and Federal interest in the protection, restoration, conservation, and management of environmental resources. These provisions include compliance requirements and emphasize protecting environmental quality. They also endorse Federal efforts to advance environmental goals, and a number of these general statements declare it national policy that full consideration is to be given to the opportunities that projects afford to ecological resources. Recent water resources authorizations have enhanced opportunities for Corps involvement in studies and projects to specifically address objectives related to the restoration of ecological resources and ecosystem management. Specific authorities for new individual studies and projects to restore ecological resources have also been provided in legislation. Examples of legislation that broadly supports Federal involvement in the restoration and protection of ecological resources include:

- Federal Water Project Recreation Act of 1965, as amended
- The National Environmental Policy Act of 1969, as amended
- Water Resource Development Acts of 1986, 1988, 1990, 1992, 1996, 1999, and 2000
- Coastal Wetlands Planning, Protection and Restoration Act of 1990 (Title III of P.L. 101-646)

II-1.2. **Components of the Environment Business Line**.

a. The Environment Business Line includes the Corps Ecosystem Restoration studies and projects, Stewardship and the Formerly Utilized Sites Remedial Action Program. A portion of the funding for Research and Development and corporate data collection activities will also be charged to the Environment Business Line but these items will be budgeted similar to previous years. Although the Environmental CAP (sections 1135, 204, and 206) is part of the Environment Business Line, it will be budgeted in accordance with guidance in **Annex G**.

b. Ecosystem Restoration is funded primarily from the Investigations, Construction, and Mississippi River and Tributaries accounts. One item, Inspection of Completed Works, Ecosystem Restoration, is funded from the Operation and Maintenance account. Related budget development guidance is found in Annexes A, B, and C. The goal of ecosystem restoration is to restore degraded ecosystem structure, function, and dynamic processes to a less degraded, more natural condition in a cost effective manner.

c. Stewardship is funded from the Operations and Maintenance and Mississippi River and Tributaries, Maintenance accounts and related budget development guidance is found in Annex C. As a matter of law and good environmental practice, the Corps provides stewardship of its projects lands and waters to sustain healthy natural resources and cultural resources that occur on this federal estate and takes action to minimize adverse environmental impacts.

d. The Formerly Utilized Sites Remedial Action Program has its own account and information required to develop the initial and capability level funding programs is found in Sub-Appendix 4 of this Appendix. The purpose of the program is to clean up contaminated sites throughout the United States where work was performed as part of the Nation's early atomic energy program.

II-1.3. **Increments**. Increments identifying similar levels of effort towards completion of a study or project or contribute to various level of project operation have been identified for each funding account. Only the first increments for investigation, construction, and Formerly Utilized Sites Remedial Action Program and the first two increments for Operation and Maintenance are constrained by monetary criteria. Otherwise the increments for Investigation, Construction, and Formerly Utilized Sites Remedial Action Program

relate primarily to progress against the schedules in Performance Management Plans. Increments are not funding levels nor are they ranking criteria.

II-1.4. **Additional Information**. More detailed information on the budget development, including minimum eligibility requirements and terms are found in the main section and budget account Annexes A, B, and C. The following sections describe the three components included in the Environment Business Line in more detail, including performance measures, ranking criteria and data requirements for development of the PY budget.

II-1.5. **Ranking.** Each of the three components in the Environment Business Line will be ranked individually. Ranking will be within the individual component only and not across the Environment Business line.

Sub-Appendix II-2
ECOSYSTEM RESTORATION

II-2.1. **Background**. In response to the increasing National emphasis on environmental restoration and preservation, and project and programmatic authorities contained in various Water Resources Development Acts, the Corps recognizes ecosystem restoration as one of its primary mission areas within the Civil Works Program. This Sub-Appendix provides guidance for preparing the FY 2009 budget request. It is consistent with and does not alter the plan formulation and project justification guidance contained in ER 1105-2-100.

II-2.2. **Purpose**. The goal of ecosystem restoration is to restore degraded ecosystem structure, function, and dynamic processes to a less degraded, more natural condition. Restored ecosystems should mimic, as closely as possible, conditions which would occur in the area in the absence of human changes to the landscape and hydrology with a minimum of continuing human intervention. This includes an emphasis on species native to the project location. Those restoration opportunities that are associated with wetlands, riparian and other floodplain, and aquatic systems are most appropriate for Corps involvement. The focus of projects/activities implemented under this section of the guidance is the restoration of ecosystems and ecological resources and not restoration of cultural and historic resources, aesthetic resources, clean up of hazardous and toxic wastes or recreation.

II-2.3. **Civil Works Program Objectives/FYDP.**

a. Table II-2-1 immediately below displays the Ecosystem Restoration Objectives and Performance Measures published in the March 2004 Civil Works Strategic Plan. Preparation of the FY 2009 Budget Request requires the recognition of a constrained budget environment and the ongoing effort to evolve better budget linked performance measures. Table II-2-2 displays the Ecosystem Restoration objectives, performance measures, and/or performance ranking and rating criteria which support and/or supplement Table II-2-1 objectives and performance measures to reflect the near term realities of a constrained FY 09 budget environment. Additionally, the strategic plan emphasizes the development of projects within a watershed framework and collaboration with other agencies and organizations. This is reflected in the data requirements.

b. The purpose of the Civil Works Five Year Development Plan (FYDP) is to present an overview on how the funding for the Civil Works program over a five-year period will produce results that contribute to achievement of the strategic goals and objectives in the Civil Works Strategic Plan. See paragraph 8 (b) “Civil Works Five Year Development Plan”. The FYDP for the Ecosystem Restoration Program focuses on cost effective restoration of nationally and regionally significant resources while providing a multi-year budgetary framework that facilitates achievement of program goals.

TABLE II-2-1
Goals, Objectives and Performance Measures in the Civil Works Strategic Plan

Goal 2: Repair past environmental degradation and prevent future environmental losses.	
Objective 2.1. Restore degraded, significant ecosystems structure, function, and process to a more natural condition.	
Objective	Performance Measures
<u>Ecosystem Restoration</u> 2.1.1. Invest in restoration projects or features that make a positive contribution to the Nation's environmental resources in a cost-effective manner.	Acres of habitat restoration completed. River miles of habitat restoration completed. Acres/river miles of nationally significant habitat restoration completed per dollar invested.

II-2.4. **Ecosystem Restoration Performance Measures.**

a. Since 1986, the Corps has received increased authority to implement ecosystem restoration projects and the number of implemented projects has increased dramatically in the last decade. These projects range in size from a few acres to several thousand acres, such as the Everglades. A wide variety of ecosystems and habitat types are involved and the techniques used are as varied as the problems addressed. In order to support continued investment in ecosystem restoration activities the results need to be documented. The purpose of this budget guidance is to establish performance measures and ranking criteria, that when used to evaluate each study and project, will result in the formulation of a justified and supportable budget.

b. A nationwide perspective must be maintained to assure that available funding is used to provide the most cost effective restoration of nationally and regionally significant resources. It is also important to support timely completion of high performance studies and projects so that the expected benefits may be achieved as soon as possible. As our knowledge of ecosystem benefits and feasible restoration techniques increases, it is also important to have the capability to initiate new studies. The ranking criteria to be used in development of the PY budget are designed to assure that the available funding provides the greatest public benefit for the investment while continuing to investigate restoration opportunities and completing projects in a timely manner so that benefits may be achieved as soon as possible. To achieve the Ecosystem Restoration goal, the budget objectives and ranking criteria contained in Table II-2-2 are established for the FY 2009 budget. Each of the objectives and criteria are designed to demonstrate that each budget item makes sense and contributes to the Civil Works objectives and the Ecosystem Restoration goal.

c. The data requested will also contribute to our ability to predict our performance regarding acres restored, the quantity of nationally significant acres restored, the cost to restore a nationally significant acre, and the percentage of the acres that are restored that are nationally significant. Quality of the restoration is a concern and seven of the criteria are designed to address this aspect of the ecosystem restoration program. A subset of the quality criteria is used to identify projects that restore nationally or

regionally significant habitat. Additional information about the ranking criteria is found in paragraph II-2.9 and in Table II-2-3.

TABLE II-2-2
Ecosystem Restoration Budget Ranking Criteria

CW Program Objective	Budget Objective	Ranking Criteria
Invest in restoration projects or features that make a positive contribution to the Nation's environmental resources in a cost-effective manner	Keep ongoing studies or PEDs proceeding at an efficient rate if likely to produce recommendation for project (I)	Watershed for studies Significance - scarcity - connectivity - special status species - self-sustaining - plan recognition Acres for PED Years to complete Other purpose outputs
	Start new phase of studies or PED (I)	Watershed for studies Significance Acres for PED Other purpose outputs
Same	Complete on-going studies and PEDs (I)	Significance Acres for PED Other purpose outputs
Same	Complete ongoing construction phases to start getting benefits (C)	Significance Acres Other purpose outputs
Same	Keep on-going construction proceeding at an efficient rate. (C)	Significance Acres Years to complete Other purpose outputs
Same	Initiate new construction (C)	Significance Acres Other purpose outputs Years to complete

d. In order to achieve the above objectives, an Initial increment has been defined to assure uniformity across the country in building annual budgets from the same point. A system of ranking criteria has been established that is more detailed than the criteria in the Strategic Plan and will permit objective evaluation of incremental investment choices to assure that budget requests above the initial increment provide the greatest benefit for that investment. The initial increment and the system of ranking criteria will facilitate making informed and wise budgetary decisions.

II-2.5. **Performance Based Budgeting**

a. Performance should be a primary factor in ranking budget items. Additional budget items above the initial increment should consist of logical, needed items of work that contribute to the Civil

Works program goals. The basis for adding items of work will be demonstrable beneficial impact resulting from accelerating project completion and/or improved performance, such as cost savings achieved by combining work items. Budget items should be added in priority order based on the performance components and ranking criteria shown in Table II-2-3. Rationale for any exceptions to this rule must be documented in the Narrative Justification column. Each contract in the Construction Account or for similar activities in the MR&T and Operations and Maintenance Accounts must be a separate line item. All contracts of $20 million or less will be fully funded.

b. Inspections of ecosystem restoration projects/separable elements may be included in the either Operations account increments one or two if they are determined to be critical based on complexity and age of the features and if the criteria in Annex C regarding the Operations and Maintenance account increment definitions are met. Non-critical inspections should be placed as appropriate in increments 3 and 4. Each District will have an entry for every state in which an inspection is proposed in accordance with the guidance in Annex C.

II-2.6. **Systems Approach.**

a. Consistent with the Civil Works Strategic Plan a systems approach or watershed approach is needed to ensure that investments are integrated into a whole that preserves or enhances performance and sustainability at the system level. A systems approach requires consideration of the investment needs and priorities of all the business lines within the watershed. All FY 2009 budget item requests (studies, construction, and O&M) will include the USGS HUC sub-region (4 digits) codes. These codes may be found at **http://water.usgs.gov/GIS/huc_name.html**. Additionally, for the PY (FY 09) an O&M Systems Code will be assigned to identify the System that O&M projects will be grouped by. This is the initial step toward a comprehensive O&M systems based approach for making investment decisions. See the O&M Annex for the list of designated O&M Systems and codes.

b. MSCs will identify all systems within their respective regions of the US and develop budget priorities that are consistent with investing in one or more of the following aspects of the system: in the highest risk portions of the system; that will result in the most improvement in performance; that contribute to increased navigation reliability and safety; that contribute to increased flood damages prevented; that contribute to addressing significant regional or national ecological problems. A system will generally be identified as a watershed, and may include multiple individual projects and components. Some large watersheds could be comprised of more than one system (e.g. the Mississippi River watershed has the Upper Mississippi River system, the MR&T system, and tributaries as separate systems). Analytical perspectives should be developed to help determine the mix in FY 2009 of investments in maintenance, operations improvements, reallocation, major rehabilitation, new construction, planning, and design that will maximize system efficiency, safety, reliability, and sustainability over time.

c. Studies (reconnaissance and feasibility) and PED that have multiple outputs (watershed or multi-purpose) will be budgeted in the primary business line. When the project moves into construction the construction requests will be by appropriate business line.

II-2.7. **Watershed Studies**. Watershed studies are multipurpose and encompass a relatively large geographic area. The key attributes are as follows.

a. The study results in the identification of a combination of recommended actions (a Watershed Management Plan) to be undertaken by various partners and stakeholders in order to achieve local, tribal, regional, and national water resources management goals identified in the study and may or may not identify further budgetable Corps studies or implementation projects.

b. Require team thinking about water resources development and management in the context of multiple purposes rather than single purposes is required. This facilitates the search for comprehensive and integrated solutions.

c. The study provides a means for improving opportunities for public and private groups to identify and achieve common goals by unifying on-going efforts and leveraging resources.

d. Leverage resources, including cost shared collaboration, and integrates programs and activities within and among Civil Works programs, and with other Federal, tribal state and non-governmental organizations, is a critical factor. This will facilitate improved consistency and cost effectiveness.

II-2.8. **Budget Screening Definitions.**

a. New Start Definition.

(1) A New start is defined as an active authorized study or project which has not received an initial work allowance and that fits into at least one of the following business lines: commercial navigation; inland navigation; flood and storm damage reduction; ecosystem restoration; water supply, hydropower; or recreation.

(2) The New Start definition will apply to Reconnaissance studies and Construction Projects, as well as any new efforts under the Remaining Items category. Any PED, which has not been funded in the Conference Report for the past three years, will also be considered a New Start. For Feasibilities, see New Phase definition. Except a new start decision would be needed for a feasibility study being initiated after, say, an O&M-funded appraisal without an intervening reconnaissance new start decision. Basic eligibility criteria for construction new starts are found in Annex B.

b. New Phase Definition. A study or project is considered to be in a NEW PHASE once it has completed the current phase that is funded and ready for budgeting in the follow-on phase, e.g. from Reconnaissance to Feasibility or Feasibility to PED, e.g. Seamless PEDs are a new phase.

II-2.9. **Increments.** The following paragraphs apply to Investigation, Construction and comparable items in MR&T Account. For information about the increments to use for Inspection of Completed projects and Everglades Operation and Maintenance refer to the Definitions/Glossary section of the Main EC and to Annex C.

a. The following increments are primarily process/schedule driven. Only the first Investigation increment has a funding constraint. The increments are not funding levels. The first funding line for any continuing study/project/separable element will probably fit the criteria for either the first or the second increment. The first funding line item for a new start or resumption will be labeled Increment 3. There may be more than one funding line for a study/project/separable element that meets the criteria for an increment. For example if a contract and significant staff time were required to meet the optimal schedule in the PMP, Increment 3, there might be two funding lines for that project with an increment 3 designation. Every contract in the Construction account and for construction in the MR&T account is a unique funding line. For an individual study/project/separable element an item may not be ranked before other items for that study/project/separable element that meet the definition for preceding increments. For example for project X an increment 3 item may not precede a project X increment 2 item in the rankings. The rankings are to be based on performance. This means that higher increments for some studies/projects/separable elements may be ranked higher than lower increments for other

studies/projects/separable elements. For example Increment 3 of project X may precede Increments 1 and/or 2 for project Y in the ranking

b. **Definition**

(1) Work Increment. A work increment is a discrete amount of work identified by an activity or a set of activities with specific resource requirements and a schedule.

(2) Activity: A component of work performed during the course of a project. An activity could be a process (e.g. collection of data) or lead to a deliverable (write a report). Activities are the building blocks of the P2 system – they have assigned durations, resources, and relationships.

c. Investigation Increments (for studies, and pre-construction engineering and design of specifically authorized and MR&T investigations):

(1) Increment 1: This increment will include only the minimum continuing and new study activities and the total request is limited to the budget amount for PY-1, by study. *Do not include new PED or study phases*. If a study is ready for changing phases or is no longer likely to produce a high performing project, then the Increment 1 level for that study will be zero. Increment must be performance based and integral with a study or project high outputs and consistent with ranking.

(2) Increment 2 - New phases of studies previously budgeted may be initiated in this increment. Studies that do not have an Increment 1 may reflect the study activities in Increment 2. Studies that have a high probability of recommending a project with high value output may include additional activities in this increment that will provide improvement to the study completion compared to the items submitted in increment 1. Increment must be performance based and integral with a study or project high outputs and consistent with ranking.

(3) Increment 3: This increment will include the activities needed to sustain (not fall behind/not accelerate) the study schedule included in the PMP. New starts and resumptions may be included. Increment must be performance based and integral with a study or project high outputs and consistent with ranking.

(4) Increment 4: This increment includes additional capability activities that can be supported by cost sharing sponsor and Corps resources. This increment can be viewed as enhancing (or advancing) the study schedule at a faster pace than shown in the PMP. Increment must be performance based and integral with a study or project high outputs and consistent with ranking.

(5) Increments 5-8: Not used.

(6) Increment 9: Place unbudgetable studies in Increment 9.

d. Construction Increments. All contracts will be fully funded if the estimated contract total (total of both federal and non-federal shares) is $20M or less. For all contracts that are proposed for full funding, the total estimated amount for EDC and S&A will be included with the contract. Each contract included in any increment must be shown separately to allow individual funding decisions based on the performance metrics and must be shown in priority order by District and MSC Rank. This section includes specifically authorized projects, MR&T construction, dam safety projects, deficiency corrections projects and dam safety, seepage, static instability studies.

(1) Increment 1: This increment will include only the minimum project activities budgeted in, and continuing from, PY-1. Only true continuing contract needs, and the Engineering and Design during Construction (EDC) and Supervision and Administration (S&A) of contracts fully funded in PY-1 and before may be included in this increment. Do not include any continuing incrementally funded contract requirements. Do not include new contracts, options, or funding for the engineering and design activities for new contracts. Only mandatory real estate activities for required project lands, easements, and right-of-ways may be included. Increment must be performance based and integral with a study or project high outputs and consistent with ranking.

(2) Increment 2. This increment will include continuing incrementally funded contract requirements for ongoing projects, new contracts, engineering and design for future contracts or other activities (show each separately), and EDC and S&A for new contracts awarded in PY. Real estate activities for required project lands, easements, and right-of-ways may be included. Increment must be performance based and integral with a study or project high outputs and consistent with ranking.

(3) Increment 3: This increment will include activities and contracts needed to sustain (not fall behind but not accelerate) the efficient project schedule based on the PMP. This increment may include projects that do not qualify for increment 2, and may include continuing incrementally funded contract requirements, new contracts, engineering and design for future contracts or other activities (show each significant activity separately), and EDC and S&A for new contracts awarded in PY. Real estate activities for required project lands, easements, and right-of-ways may be included. New starts and resumptions may be included. Increment must be performance based and integral with a study or project high outputs and consistent with ranking.

(4) Increment 4: This increment will include additional capability activities that can be supported by the cost sharing sponsor and Corps resources and will advance the project schedule at a faster pace than shown in the PMP. Increment must be performance based and integral with a study or project high outputs and consistent with ranking.

(5) Increments 5-6: Not used.

(6) Increment 7: This increment will identify nine projects which have ecosystem restoration outputs but may be budgeted in Operations and Maintenance with costs assigned to other business lines or as joint project costs. Only the ecosystem restoration portions of Assateague, Lower Cape May and Houston-Galveston are included in this category.

(NAD - Assateague, Poplar Island, Lower Cape May; NWD - Columbia River Fish Mitigation Temperature Control, Chief Joseph Gas Abatement, Howard Hanson Dam Ecosystem Restoration, Willamette Temperature Control, Missouri River Fish and Wildlife Recovery; SWD – Houston-Galveston Navigation Channels).

(7) Increment 8 – This increment will include projects that are consistent with Administration policy but are unbudgetable due to the decision document not yet being cleared by the Administration.

(8) Increment 9 – This increment will include unbudgetable projects that are inconsistent with Administration policy, such as environmental infrastructure. Also, the Federal funds for shore protection projects that require beach renourishment (not associated with Federal navigation projects) should be identified and included in this increment.

II-2.10. **Ecosystem Ranking Criteria.**

The ranking criteria developed evaluate studies and projects against the parameters of readiness, timeliness, cost effectiveness, and performance. Seven performance components provide an indication of the significance of the resources being restored and will have a substantial bearing on how projects are ranked. The seven performance components and maximum scores are as follows:

Habitat Scarcity	25 points
Connectivity	25 points
Special Status Species	10 points
Hydrologic Character	15 points
Geomorphic Condition	15 points
Self-Sustaining	20 points
Plan Recognition	10 points

National Significance is defined as studies and projects receiving the top scores in Scarcity (25 points), Connectivity (25 points) and Special Status Species (10 points) and at least the second score (5 points) for Plan Recognition. Regional Significance is defined as studies and projects receiving at least the second highest score in each of these four criteria. Information about the physical scale of the restoration, cost, phase, relation to other purposes for multipurpose projects, watershed status for studies, and status of cost-share agreements will also be used to arrive at a balanced budget recommendation that insures continued positive contributions to the Nation's resources. The criteria apply to individual line item-funded studies, projects, and separable elements.

II-2.11. **Separable Elements.** Separable elements that upon completion provide ecosystem restoration benefits even if the remainder of the project is not completed should have unique subproject names and may have unique CWIS/PWI numbers. Separable elements are to be entered as separate line items in the budget request. Existing sub-project names should be reviewed to ensure that the items identified as subprojects are in fact separable elements. In rare instances separating a large project not previously divided into separable elements may be warranted to more accurately report performance. If a separable element will be constructed in phases or stages, phase and stage designations should not be part of the subproject name. Instead the phase/stage indicator should be included in the project description column and the output column should be used to indicate status such as initiate stage 1 or complete stage 2 as appropriate.

II-2.12. **Data Requirements**

a**.** The data elements to be included in P2 or derived from data in P2 are described in Table II-2-3 and an example of the excel sheet that we will use to analyze the data provided is shown in Illustration II-2-1. A limited number of items will be required for the "Studies, Surveys and Inspection of Completed Works- Ecosystem Restoration" work category code in the Operation and Maintenance account. The CCS is 640 and the PWI is 081816.

b. Many of the data elements in P2 will be the same for all entries related to a single project or separable element. Items which may vary for each contract include Approp Abbrev, CW type of funds, increment, phase, phase status, phase completion, dates of agreements, and narrative justification. Phase completion refers to the completion of the phase for the project or separable element <u>not for the contract</u>. In construction, LY should ONLY be used to describe the last year of the final contract or other budget item for a project or separable element that will result in physical outputs. It should NOT be used to describe the completion of any other contract or budget item for the project of separable element. Federal budget request, Budget Item ID, Output of Budget item and Dist, MSC ranks must be unique for

each entry. The remaining entries will be the same but unique for each project or separable element. However, the program code and name should be the same for each separable element.

c. CEQ Annual Wetlands Report. The last five data elements are required to provide data for the Council on Environmental Quality's annual wetlands report. This information will help to determine the amount of the FY 2009 budget that will contribute to the five actions: establishment, re-establishment, rehabilitation, enhancement, and protection. Definitions of these five terms are included in Table II-2-4.

d. Investigations account, Construction account and Operations and Maintenance account items will be ranked separately. Watershed and multipurpose Reconnaissance, Feasibility and PED phases will only be entered in the business line that is expected to be the primary purpose and not split among multiple business lines.

II-2.13. **Projects Previously Budgeted in Ecosystem Restoration Construction Account**.

a. Nine projects in part or in whole previously budgeted in the Construction Account, Ecosystem Restoration Business Line were moved to the Operations and Maintenance Account in the FY 2008 budget submission. An additional project (Houston-Galveston) will move into O&M in 2009. However, since specific ecosystem restoration information is required, the projects and ecosystem restoration features must also be entered following the rules for ecosystem restoration construction. Use the O&M appropriation code and CCS, retain the existing P2 project or program number, the ENR Business line code and an increment code of 7. However for Columbia River Fish Mitigation and Missouri River Fish and Wildlife Recovery increments 1-3 will be used as described in c. below. As the budget development progresses the appropriate funding amount will be distributed to the appropriate business line or distributed as joint costs to the various operating projects. The projects included in this category are:

NAD Assateague (ecosystem restoration portion)
NAD Poplar Island
NAD Lower Cape May (ecosystem restoration portion)
NWD Columbia River Fish Mitigation
NWD Chief Joseph Gas Abatement
NWD Howard Hanson Dam Ecosystem Restoration
NWD Willamette Temperature Control
NWD Missouri River Fish and Wildlife Recovery
NWD Lower Snake River Fish and Wildlife Comprehensive Plan, WA
SWD Houston-Galveston Navigation Channels (ecosystem restoration portion)

b. These projects will not be split in P2/OFA and allocated to the operating project and business lines (as was done in FY07&08). This allows the activities at a project to be entered and managed as a single budget activity. The total budgeted amount can later be "displayed" across specific Business Lines in accordance with the statutory O&M joint cost allocation formula. This "display" of joint costs will not result in a single budget activity being split into multiple activities across multiple business lines. However, this "display" of programmed costs allows the Corps to identify the costs allocated to other business lines.

c. Columbia River Fish Mitigation and Missouri River Fish and Wildlife Recovery consist of multiple projects. The individual projects will be shown as separate line items in the budget submission to headquarters. The programs will have at least three increments in O&M.

Increment 7.1 – Activities required to maintain the necessary minimum progress toward compliance with the BiOp to avoid jeopardy in FY 09.

Increment 7.2 - Activities required to maintain progress toward compliance with the BiOp in accordance with the established schedule.

Increment 7.3 – Capability level to advance progress on the highest priority activities.

TABLE II-2-3
Ecosystem Restoration Study and Project Information

The data provided in this table will allow for ranking the ecosystem restoration projects to develop a budget consisting of cost effective projects that efficiently provide significant ecosystem restoration benefits. The data in this table will be pulled from P2 at the MSC and HQ levels. If the item required for this table is not applicable, do not leave it blank (the exception is the ranking columns for higher organizational levels). Enter NA so that it is clear the absence of information is not an oversight. This information will be available for incorporation into a spreadsheet similar to the one in Illustration II-2-1. Every column must have an entry. For columns where data is not required as indicated by the code at the bottom of the spreadsheet in Illustration II-2-1, if the data is entered directly into P2 then the cells should auto fill with NA. Otherwise enter NA as necessary. Additionally, for a P2 Project Number with more that one budget item, many fields will auto fill for subsequent budget items.

If the spreadsheet is used and items are entered in the order listed below and the P2 data entry rules are followed, it may be uploaded directly into P2. Dates should be entered in **YYYY-MM-DD format (2007-05 02),** fiscal year should be entered as 4 digits (2006), all dollar and other numeric entries should be in thousands unless the data field definition specifically instructs otherwise.

Items funded in the MR&T account should follow the rules for the I, C, and O&M accounts as appropriate. The first 24 items are required for all budget items in all accounts.

Every contract in the Construction account including comparable MR&T items is a separate line item. For continuing contracts there may be multiple entries. New contracts for $20,000,000 or less are to be fully funded.

1. BUSINESS LINE = ENR for Ecosystem Restoration

2. EROC = Two character code for District, such as B1 for Memphis District.

3. MSC = Three letter abbreviation for MSC, such as SAD. This is a display-only field which is auto-populated based on the EROC. Data entry is not required.

4. DISTRICT = Three letter abbreviation for District, such as NWK. This is a display-only field which is auto-populated based on the EROC. Data entry is not required.

5. APPROP ABBREV = An abbreviation for the Appropriation Account. The abbreviations are: I (Investigations), C (Construction), OM (O&M), MRT-I (MR&T Investigations), MRT-C (MR&T Construction), MRT-OM (MR&T O&M) , and FUSRAP. This is a display-only field which is auto-populated based on the CW TYPE OF FUNDS. Data entry is not required.

6. CW TYPE OF FUNDS = CW Account and Category/Class/Subclass (CCS) code – This is an 11 character numeric code that combines the numeric appropriation account codes with the numeric CCS codes. Appropriation Account codes are Investigation (96 3121), Construction (96 3122), Operations and Maintenance (96 3123), and Mississippi River and Tributaries (96 3112). These are followed by a space and then the three digit CCS code which can be found in the Definitions/Glossary section in the Main EC.

7. PROGRAM CODE = The Program Code identifies the AMSCO/CWIS/PWI associated with a P2 project. A Program Code should be assigned to every CW P2 project for which funds are requested. This is especially important in the case where multiple P2 projects have been created which are all associated with a single CWIS in the Corps budget submission to OMB and Congress. A P2 Program Code will need to be entered on each of those P2 projects so that they can be linked together for budget submission purposes. Separable elements are an example of this situation. Normally, the AMSCO number will be used as the Program Code value. The Program Code is a project level code which is entered in Oracle Projects (OP). By default, the Program Budget Submission (PBS) portion of OFA will auto-populate the field (if it's blank) with the Program Code classification that is assigned to the P2 Project in OP. Users have the ability to override that field with a valid Program Code if there's not one assigned in OP. It is strongly recommended, though, that users assign the code in OP so it can be utilized for other OFA reporting purposes (2101's, CWAS, etc).

8. P2 PROJECT NUMBER = A six digit numeric code that identifies a project in P2. Separable elements should have unique codes. Usually individual contracts and phases and stages of projects are not separable elements. (see paragraph II-2.10 for additional information regarding separable elements.)

9. BUDGET ITEM ID = A code to uniquely identify multiple entries within the same EROC, P2 Project, CW Type of Funds (Approp/CCS), Business Line, Increment, and Phase. System generated, no entry required.

10. INCREMENT = Enter the appropriate number in accordance with the guidance in Paragraph II-2.6. Enter a “1” if the budget item meets the requirements for inclusion in the Initial increment as defined. Enter a “2” if the budgetable item should be considered for the second Increment, etc. Every project may not have a budget item in the first two Increments. A project may have multiple budget items in an increment. For (O&M) Inspection of Completed Environmental Works and Everglades related O&M assign an increment number 1-4 in accordance with the guidance in the Definitions/Glossary section in the main EC (or Annex C).

11. DIST RANK = The budget item’s rank in the district’s request.

12. MSC RANK = The budget item’s rank in the MSC request.

13. HQ RANK = The budget item’s rank in the HQ request. HQ will complete this item. It is not available for District or MSC entry.

14. ARMY RANK = The budget item’s rank in the Army request. HQ will complete this item. It is not available for District or MSC entry.

15. PHASE = A letter code will be used to indicate phase. The codes that are applicable to ecosystem restoration studies and projects are: R = Reconnaissance; F = Feasibility; P = Preconstruction Engineering and Design Phase; C = Construction; O = Operations and would apply to Inspections of Completed Projects. For projects moved from the Ecosystem Business line, C account to another business line O&M account in FY 2007 one of the following should apply: DS = Federal sand + section 111; BO = Biological Opinion (RPA); or BD = Beneficial use of dredged material. Joint activities on multi-purpose hydropower project (Cat-Class 300) will have a phase code of OJ or MJ as appropriate.

16. PHASE STATUS = Status of the Phase listed in column 15 will be indicated with a letter code. NP = New Phase; CN=Continuing; LY= Last year of phase. Only use LY if FY2009 is the last year for which funding will be requested for the phase (not for a contract). For Reconnaissance and Construction initiation, a new start should be coded as a New Phase in this column. If a study or a project is completing one phase and starting a new one in the PY (e.g. finish Feasibility and start PED), each should be a separate entry (one LY and one NP). If there are multiple funding lines for one phase of a project (especially construction) this code may vary. Perhaps the first entry would be NP and the second one CN and the last one if funded would complete the phase and be LY.

17. PHASE COMPL = Required for all items in all accounts. The fiscal year the phase for which funds are being requested is scheduled to complete. This is a numeric. The Reconnaissance phase ends with execution of a Feasibility Cost Sharing Agreement, or a report recommending no Federal action. For FY 2009 budget development, use the date of the Division Engineer's Transmittal of the report to HQ as the end of the Feasibility phase. The PED phase ends with completion of first set of plans and specifications and execution of the PCA. Construction completion is defined as physical completion with the project turned over to the non-Federal sponsor to operate and maintain. The construction phase completion date is the date that will be used for various ecosystem restoration reports including development of the Five Year Development Plan performance estimates. For items in the O&M account, enter the PY unless the requested funds are scheduled to be carried over.

18. PROGRAM NAME = Name associated with the Program Code which is entered in Oracle Projects. This will be auto filled. In OFA it is a display-only data field.

19. P2 PROJECT NAME = Name of the P2 project. The project name is entered in Oracle Projects. In OFA it is a display-only data field.

20. SYSTEM CODE = Required for entries in the O&M account and comparable MR&T account. This is a three letter code. See the O&M Annex for the list of designated O&M Systems and codes.

21. BASIN CODE = Required for all items in all accounts. The USGS Hydrologic Unit Codes (HUC) will be used to identify watersheds. The four-digit code for the appropriate sub-region as defined by USGS will be entered for every budget item. These codes may be found at **http://water.usgs.gov/GIS/huc_name.html**. Some programmatic elements may cover more than one sub-region. If there are separable elements enter the code that is appropriate for the separable element. If there are no separable elements enter the code applicable to most of the project or area where funding will be applied.

22. STATE = Enter the two letter abbreviation for the primary state in which the study, project, or separable element is located.

23. CONTRACT TYPE = Required for all items in Construction, projects listed in paragraph II-2.13, and any contract with a remaining amount over $20,000,000 in any phase. Enter one of the following: CC for continuing contract; CF for fully funded contract; CB for base contract with options; or CI for incrementally funded contract. Enter NA if this line item is not a contract or if in I or O and remaining amount less than or equal to $20,000,000.

24. CURRENT BUD - FED = This is a display-only field which is auto-populated from the project's current schedule in Primavera / Oracle Projects. It displays the PY 'At Completion Cost' Federal (Corps) amount for the budget item.

25. CURRENT INFLATION ADJUSTED BUD - FED = This is a display-only field which is auto-populated from the project's current schedule in Primavera / Oracle Projects. It displays the PY 'At Completion Cost' Federal (Corps) amount for the budget item, adjusted by the inflation rates contained in this EC.

26. BUDGET REQUEST - FED = The amount requested in FY 2009 for the work proposed to be accomplished with this budget item. This may or may not be the total FY 2009 budget request for the study, project, or O&M item. The sum of all entries for this P2 Project Number will be its Capability. Additional budget items are not additive and each must provide measurable contributions to performance. Each construction contract of $20 Million of less must be a separate budget item.

27. AMOUNT NEXT CONTRACT = Required for all items in Construction and projects listed in paragraph II-2.13. Provide the total amount of the next new contract. Enter NA if this line item is the last contract for project/separable element.

28. CONTINUING CONTRACT EARNINGS = Required for all continuing contracts in Construction and projects listed in paragraph II-2.13 including both "true" and "special" continuing contracts. Provide the PY earnings for all continuing contracts continuing from the previous year. This number will change as additional items are included in the budget request for an individual continuing contract. Enter NA if this line item is not a Continuing Contract.

29. CONTINUING CONTRACT VALUE **=** Required for all continuing contracts in Construction and projects listed in paragraph II-2.13 including both "true" and "special" continuing contracts. Enter the total value of the contract in thousands.

30. CONTINUING CONTRACT AMOUNT APPLIED THROUGH PY-1 = Required for all continuing contracts in Construction and projects listed in paragraph II-2.13 including both "true" and "special" continuing contracts. Enter the amount in thousands. This should be zero for a continuing contract initiating in FY 2009. Enter NA if this line item is not a Continuing Contract.

31. FY PROJECT or SEPARABLE ELEMENT COMPLETE **=** The fiscal year that the entire project or separable element is scheduled to be complete (the last year that funds other than O&M, will be requested). This includes authorized monitoring/adaptive management funded in the construction account. If the budget line item accelerates the phase this date may change from date in a previous budget item. The date entered for each of multiple entries for a project/separable element should be determined based on the assumption that no subsequent items for the project/separable element will be funded.

32. LAST YEAR BUDGETED = Required for items in the Investigation and Construction accounts and projects listed in paragraph II-2.13. Enter the most recent Fiscal Year this study or project was included in the President's Budget (any phase).

33. LAST YEAR FUNDS APPROPRIATED = Required for items in the Investigation and Construction accounts and projects listed in paragraph II-2.13. Enter the most recent Fiscal Year this study or project received an appropriation (any phase).

34. LAST AMOUNT APPROPRIATED = Enter the amount of funds (conference report amount) contained in the appropriation indicated in item 33 above for this study or project

35. BALANCE TO COMPLETE = The PY+1 uninflated balance in $1000s to complete study (if in reconnaissance or feasibility) or project or separable element. This should be consistent with the

Total Project Cost for items in PED, Construction and projects listed in paragraph II-2.13. This number should vary in each budget item for a project or separable element.

36. FCSA DATE = Required for items in the Investigation and Construction accounts. The actual or scheduled date of the FCSA. Enter the date - **YYYY-MM-DD - e.g.2005-03-30.** If the budget request is to accelerate the reconnaissance phase, this date may change from the initial entry.

37. PED DATE = Required only for items in the Investigation and Construction accounts and projects listed in paragraph II-2.13. The actual or scheduled date of the PED Agreement. Enter the date - **YYYY-MM-DD - e.g. 2007-09-30.** If the budget request is to accelerate phase, this date should change from the initial entry. For a new Reconnaissance NA may be appropriate.

38 PCA DATE = Required only for items in the Investigation and Construction accounts and projects listed in paragraph II-2.13. The actual or scheduled date of the PCA. Enter the date - **YYYY-MM-DD - e.g. 2009-11-01.** If the budget request is to accelerate phase, this date should change from the initial entry. For Reconnaissance and new Feasibility studies NA may be appropriate.

39. MONITORING/ADAPTIVE MANAGEMENT = Required for PED and Construction phases and projects listed in paragraph II-2.13. and is to be based on either the Chief's Report or project authorization. Enter the number of years subsequent to physical completion of the project. Enter 0 if no monitoring or adaptive management is recommended or authorized and NA for other phases.

40. WATERSHED STUDY = Required only for Reconnaissance phase and Feasibility studies. Watershed studies do not fall neatly into anyone business line but generally overlap two or more and often include flood damage reduction and ecosystem restoration. The study may produce a watershed or regional needs analysis that identifies opportunities and impediments; a range of alternatives; or a regional or basin-wide strategy that identifies implementable actions for the future for some or all of the stakeholders within the watershed or region; or result in a feasibility report for authorization. This element will be evaluated on the basis of its analytical and relationship components. Any budget request for a study that is in accord with these principles should be scored using the following criteria. These criteria have been developed to help identify potentially high performing watershed studies for ranking purposes. This score is in addition to the other scores or ranking criteria for the primary business line but will not be added to those scores. Instead it is intended to be a unique evaluation tool for watershed studies. A maximum of 5 points for Relationships and 7 points for Analysis is possible.

a. Relationships:

(1) 2 points = Currently has an established local watershed structure (usually 501 c 3) that is capable of accepting funds. The organizational structure is typically a multi-party organization with the resources to make a meaningful contribution to or to sponsor the watershed study.

(2) 1 point = Aligns the Corps, and/or builds upon existing relationships, with state, tribal, or local governments or other federal agencies.

(3) 2 points = Contributes to the goals of the state, tribal or local jurisdictions and their water resources agencies for improved multi-jurisdictional and integrated water resources management.

b. Analysis:

(1) 2 points = Encompasses a complete watershed (HUC level 4 or cataloging unit – the eight digit HUC code. This is the smallest element in the hierarchy of hydrologic units. A cataloging unit is a geographic area representing part of all of a surface drainage basin, a combination of drainage basins, or a distinct hydrologic feature. There are 2264 Cataloging Units in the Nation.

(2) 2 points = Encompasses integrated problem solving, not just water resources but also transportation, recreation, economic development, regional and other social effects, or other challenges that state, tribal or local governments are facing in today's real world

(3) 2 points = A combination of recommended actions addressing multiple challenges to be undertaken by various partners and stakeholders is identified and may result in a Watershed Management Plan.

(4) 1 points = Integrates and/ or supports the regulatory function within the context of regional or watershed planning.

41. Document the basis for scores in column 39 (200 characters). For each factor state the score and the basis for the score. For example, a.(1) 2pts –Great basin watershed coalition a 501.c.3, a.(2) 1pt. EPA/NRCS/TNC focus area; a.(3) 0pts., b.(1) 2 pts area covers HUC # , etc.

42. FUNDING OF OTHER PURPOSES = Required for Construction phase. Displays the budget request amounts entered in other business lines for this project. System generated, no entry required.

43. PROJECT DESCRIPTION = Entry is required for all phases of the study/project. Entry needs to clearly and succinctly describe the project features and the intended outputs. Entries will be *125* words (625 characters) or less in total. Include information on type of project, list ecosystem features, and other pertinent information. Briefly describe phase or stage if a multi-stage implementation. If using dredged material, mention the navigation project source. Note the habitat type(s) using the codes (don't spell them out use the abbreviations) in Illustration II-2-2. Complete sentences are not required. The project description and work to be performed should be consistent with the J-sheets.

44. PROJECT DESCRIPTION cont. = Because P2 has a field limit of about 489 characters, if the project description (43. above) requires additional space use this field. (150 characters) other wise enter NA.

45. RELATED PROJECT = Required for PED and Construction phases. If there is a link to a constructed Corps project enter the project name. Otherwise enter NA. (50 characters)

46. TOTAL PROJECT COST = Required for PED and Construction phases and projects listed in paragraph II-2.13. The total project cost ($1000s) includes the Federal and non-Federal costs of PED and Construction. It also includes cost shared monitoring and adaptive management costs. The figure will be derived from P2 and is to include all Federal and non-Federal costs for PED and Construction. The cost should be the uninflated cost but consistent with the fully funded cost in the J sheet.

47. TOTAL ECOSYSTEM RESTORATION COST = Required for PED and Construction phases and projects listed in paragraph II-2.13. This is the figure that will be used when asked the cost of the ecosystem restoration outputs. This entry is for the cost of ecosystem restoration elements only. Be

sure to exclude the costs of recreation or environmental education features in this column. For a multipurpose project, this column would include the separable and joint costs of the ecosystem restoration features only. For a single purpose ecosystem restoration project without recreation features the entries in columns 45 and 46 should be identical. Cost in $1000s.

48. ACRES = Required for PED and Construction phases and projects listed in paragraph II-2.13. The area used for the Cost Effectiveness/Incremental Cost analysis (CE/ICA) analyses is the quantity to enter. This does not change the need for a quality component in the CE/ICA analyses. For budgeting purposes the quality of the aquatic habitat restored should be reflected in the subsequent significance criteria and in the project description and narrative justification. The actual number of acres should be entered in whole numbers. Stream miles used as the based for benefits analyzed in CE/ICA will be converted to acres using the following formulas. Each mile of restored stream less than 100 feet wide be equivalent to 1 acre of habitat restored. Each mile of river greater than 100 feet wide will be equivalent to 5 acres of habitat restored. Each mile of river and stream habitat opened up to fish passage, as through dam removal, will be equal to 0.25 acres of habitat restored. If a project includes a combination of actions the acres may be added but avoid double counting. For example if in association with a dam removal one mile of river bank or channel bottom grading up stream of the dam location was undertaken the actual acres of that work (either 1 or 5 depending on the stream width) would be added to the miles above that stretch opened to spawning and associated riparian acres (not linear along the stream and counted otherwise) could also be added.

49. COST PER ACRE RESTORED = Required for PED and Construction phases and projects listed in paragraph II-2.13. The total ecosystem restoration cost in column 47 divided by the number of acres in column 48 expressed in $100s per acre. This will be a calculated field and entered by the system.

50. NARRATIVE JUSTIFICATION. In approximately *100* words (489 characters) or less provide additional support for the ranking of the study/project. Items a-c must be provided in this order or enter NA as appropriate. Use a., b, and c, to refer to the individual items. Do not repeat the project description or text used to justify significance criteria scores.

a. Legal requirements [specify, court orders or lawsuits, reasonable and prudent alternatives to avoid jeopardy, settlement agreements, etc.].

b. If mitigation included type of habitat being mitigated and number of acres.

c. For Inspection of Completed Works, list the projects to be inspected.

The following may be provided. Use the letters to denote which items have been included.

d. Unresolved policy issues

e. Other significant descriptors.

f. Any other special factors that should be considered in ranking the project, such as urban area.

Significance. Items 51 – 63 are required for all items funded in the Investigations and Construction accounts and projects listed in paragraph II-2.13. Blank entries will equal zero. The scores for items 51, 53, 55, 57, 59, 61 and 63 (for projects in PED or Construction) will be totaled and serve as an indication of the significance of the proposed restoration. Only one option may be selected in each of these items. For example if the proposed project contributes to a national plan (10 points) as well as a state plan (2) points only 10 points may be entered. The first score is the maximum points available for each item. The basis for the ranking assigned for Habitat Scarcity, Connectivity, Special Status Species, Hydrologic Character, Geomorphic Condition, and Plan Recognition must be documented. The term "regional" is defined as involving two or more states; a state and comparable entity in Canada or Mexico; a state and a Tribe; two Tribes, an area of a size comparable to the previous items, or an area covered by an activity that has significant Federal legal and multi-agency support even though entirely within one state such as a Joint Venture area identified under the North American Waterfowl Management Plan, rather than a smaller geographic area. Justification for the scores should relate to the project outputs in the project description or narrative justification.

51. HABITAT SCARCITY AND STATUS = The scarcity of the habitat to be restored. This criterion is based on trend information and relative abundance of the habitat. All special aquatic sites as defined in the 404(b)(1) guidelines are nationally important and relatively scarce. This criterion is designed to identify habitats with exceptional regional or national scarcity. Restoration of a scarce habitat that was always scarce in the project area or one at the limits of its range, and is relatively stable at near historic abundance would rate zero.
Scoring is as follows:

25 = Nationally scarce habitat and becoming scarcer (declining trend) as demonstrated by a Federal, regional, or state/Tribal report, or general scientific agreement as documented by peer-reviewed professional publications/societies. The report must refer to the specific habitat type and preferably would also mention the region in which the project is located. This score may not be based on broad classifications of aquatic habitats such as wetlands that are recognized under programs such as the National Wetlands Inventory as declining

18 = Regionally scarce and becoming scarcer as demonstrated by a Federal, regional, or state/Tribal report, or general scientific agreement as documented by professional publications/societies.

10 = Nationally scarce and important habitat as demonstrated by a Federal, regional, or state/Tribal report, or general scientific agreement as documented by professional publications/societies. This score may be applied to broad classifications of aquatic habitats such as wetlands that are recognized under programs such as the National Wetlands Inventory as declining.

5 = Other declining or scarce aquatic habitats.

0 = A habitat type that is stable at natural levels or improving beyond natural levels.

52. Document the basis for the score in column 51 in 200 characters. Examples: 90% of (type of habitat) lost in x (size of or name of region) area since yyyy (year) as documented in... Examples of reports might be North American Waterfowl Mgt Plan documents and NOAA's Essential Fish Habitat documents. Additional potential sources may be found in "Significance in Environmental Project Planning: Resource Document" IWR Report 96-R-7 at *http://www.iwr.usace.army.mil/inside/products/pub/iwrreports/96r07.pdf*. If species are cited as the

justification the score will be changed to zero. If no specific citation is provided the score will be changed to zero.

53. CONNECTIVITY = This criterion addresses the extent to which a project facilitates the movement of native species by contributing to the connection of other important habitat pockets within the ecosystem, region, watershed or migration corridor, or adds a critical component to an ecosystem or contributes to increased biodiversity.
Scoring is as follows:

25 = Project makes a critical direct physical connection between existing habitat areas within a corridor or larger landscape reducing population isolation, expanding home ranges, or providing access to areas supporting life requisites as recognized by or demonstrated by community or species models. An example would be restoring the connection between two pockets of what was once a larger wetland, or two patches of bottomland hardwood forest separated by drained agricultural land, or removal of a dam to open up additional habitat. For specific species, action provides critical life requisites (sites or habitats providing foraging, breeding or cover) that complete or expand the functionality of the system contributing to the stability of the species or population.

18 = Project creates a nodal connection between existing habitat areas within a corridor (as in a waterfowl flyway) or larger landscape facilitating animal migration or flow of genetic material for a nationally or internationally recognized species. The project would not be physical adjacent to other habitat areas in the corridor but would be spaced such that it provides a critical resting/feeding or other link between two other habitat areas. Examples would be restoring a marsh resting area along a defined migration corridor for a specific species or group of species such as the sand hill and whooping cranes or the creation of horseshoe crab spawning habitat to provide foraging habitat supporting internationally migratory Redknots.

10 = Project improves suitability of an existing connection or corridor; or expands functional area(s) within a splintered migratory corridor or home range; or provides an important scarce habitat type that complements adjacent exiting habitat types by providing one or more missing life cycle requisites for a number of species. For example, expanding or adding resting or foraging areas that improve the functionality or carrying capacity of the system.

5 = Project provides a large expansion to an existing habitat increasing the carrying capacity of the system without substantially increasing the habitat or species diversity.

0 = The project is an isolated unit or adds a relatively small increment to a much larger habitat. . For example, a project that takes advantage of an opportunity to restore a portion of a drained field or adds five acres to a 500-acre wetland.

54. Document the basis for the score in column 53 in 200 characters; such as: connect x National and y state wildlife areas, connect 5 tracts totaling x acres. Include a list of the primary species used to justify score. Failure to include documentation of the areas and species will lower the score five points.

55. SPECIAL STATUS SPECIES = The project must provide a significant contribution to some key life requisite within the potential range of a species to receive points in this category. The demonstrated presence or potential presence of a species of concern in the project area is not sufficient to justify a score above zero.
Scoring is as follows:

10 = Project provides habitat for life requisites that complete or add to existing life requisites within the project's area of influence or footprint for Federally listed or candidate threatened or endangered species as documented in FWCA/NMFS correspondence and/or Biological Assessment/Opinion as appropriate. In the reconnaissance or early Feasibility phase documentation may be an e-mail or MFR of a conversation, documentation of the results of a scoping meeting.

5 = Project provides habitat for life requisites that complete or add to existing life requisites within the project's area of influence or footprint for species covered by international treaty, such as International Migratory Birds, that are of special concern or have special significance (typically would not include common or abundant species).

3 = Project provides habitat for life requisites that complete or add to existing life requisites within the project's area of influence or footprint for State listed or candidate species.

0 = None.

56. Document the basis for the score in column 55 in 200 characters by listing species and life requisite met (e.g. e.g. – bald eagles/nesting habitat). Cite discussion with resource agencies responsible for managing the special status species in the project area. The discussion should be documented in an mfr or email. Cite a federal recovery plan if applicable. The species must have a demonstrated presence in the area or a strongly probability of a potential presence. Failure to include the species and life requisite provided will lower the score five points but to no less than zero.

Regarding Hydrologic Character and Geomorphic Condition since the goal of Corps ecosystem restoration projects is "to restore degraded ecosystem structure, function, and dynamic processes to a less degraded, more natural condition"; the project has in all probability been formulated with an implicit if not explicit target of achieving a more "natural" condition. Reference sites, historic stream gage data, the physical parameters required to restore and sustain the desired native habitat may be a means to define "natural" for each project.

57. HYDROLOGIC CHARACTER: This criterion recognizes the importance of appropriate hydrology in maintaining the ecological functions of aquatic, wetland, and riparian systems. The hydrologic character refers to the timing, magnitude, duration, frequency, and rates of change of the flows, water levels, and surface/subsurface exchange processes. Projects that restore and sustain the natural hydrologic "signature" of a system are more likely to provide sustainable environmental services.
Scoring is as follows:

15= Project fully restores the natural hydrology to the system or site, as demonstrated by appropriate analyses and/or data.

10 = Project partially restores the natural hydrology to the system or site, and the restored hydrologic variables are demonstrated through appropriate analyses to overcome the factors causing impacts. This level of credit also applies to projects where measures have been identified and justified to address critical and unavoidable needs. Examples include pulsed

flooding that triggers critical life history behavior or flows of materials and nutrients between channel and floodplain but that doesn't replicate fully normative magnitude, duration, frequency, etc. and full ecosystem benefits obtaining thereof.

5 = Some elements of the system or site hydrology are restored but most conditions necessary for a more natural hydrology are not attained.

0 = The project does not address hydrologic restoration

58. Document the basis for the score in column 57 in 200 characters discussing which aspects restored and basis for the target condition.

59. GEOMORPHIC CONDITION: This criterion relates to the establishment of suitable structure and physical processes for successful restoration. The scale, form, and landscape position of the system, along with key processes such as erosion, sediment transport and deposition play a critical role in defining ecosystem health and resilience and must be considered in project development. System in the following criteria would only apply to large-scale projects such as Everglades or projects with a substantial impact on a smaller watershed (possibly Duwamish River). Most projects will be evaluated at the site level. Scoring is as follows:

15= Project fully restores the natural or attainable geomorphic processes and form to the system or site, including the appropriate diversity and dynamics, as demonstrated by suitable analyses and/or data.

10 = Project restores the key geomorphic processes to the system or site, and the system is expected to recover full ecological function within an appropriate timeframe. This level of credit also applies to projects where measures have been identified and justified to address critical and unavoidable needs. Examples include sediment amendments or large woody debris insertion below dams.

5 = The form of the project location or system is restored, but some key system processes remain degraded or non-functional. (An example might be restoration of an oxbow on a stream that is not allowed to meander naturally.)

0 = The project does not address geomorphic restoration.

60 Document the basis for the score in column 59 in 200 characters discussing which aspects restored and basis for the target condition.

61. PLAN RECOGNITION = This criterion recognizes Corp ecosystem restoration projects that contribute to watershed or basin plans as emphasized in the "Civil Works Strategic Plan". This criterion ranks the importance of the plan that the Corps project supports. Recovery plans may not be used as a basis for a score.
Scoring is as follows:

10 = A Corps study or project that contributes to a multi-agency comprehensive watershed or basin plan developed in support of Federal priorities as demonstrated in laws or specifically authorized programs such as; Everglades, CALFED, Chesapeake Bay plan, etc.

5 = A Corps study or project that contributes to a multi-agency regional watershed or basin plan. Examples of this would include plans developed by groups such as the Delaware Basin Commission, or plans pertaining to Joint Venture Areas under the National Waterfowl Management Plan.

2 = A Corps study or project that contributes to a State/Tribal or local watershed or basin plan.

0 = A Corps project that does not contribute to any collaborative comprehensive or watershed or basin plan.

62. Document the basis for the score in 60 in 200 characters. Include the name and date of plan used as the basis of the score.

63. SELF-SUSTAINING = This requirement applies to only the PED and Construction phases. Enter NA for Reconnaissance and Feasibility phases. The ideal goal of most restoration is a self-sustaining ecosystem consisting of natural processes. The cost of the average annual O&M per acre (using the number of acres in column40) will be used as an indicator of the level of human intervention needed to maintain the restoration outcome. The most recent cost estimates or the actual costs of O&M (if greater than the latest estimate) will be used in this calculation.
Scoring is as follows:

20 = Low relative O&M costs. The average annual O&M cost per acre must be $15.00 or less.

10 = Medium relative O&M costs. The average annual O&M cost per acre is greater than $15.00 but less than $100.00.

0 = High relative O&M costs. The average annual O&M cost per acre equals or exceeds $100.00.

64. TOTAL SCORE = The sum of the scores entered in columns 51, 53, 55, 57, 59, 61, and 63. P2 will auto fill.

65. NATIONALLY SIGNIFICANT = If the study/project received the highest score possible in the Scarcity, Connectivity, and Special Status Species columns, and at least a 5 in Plan Recognition then P2 will enter a “Y” for yes in this column. If this criterion is not met an “N” for no will be entered. .

66. REGIONALLY SIGNIFICANT – If the study/project received at least the second highest score in Scarcity, Connectivity, Special Status Species and Plan recognition columns, then P2 will enter a “Y” for yes in this column. If this criterion is not met an “N” for no will be entered.

67. NUMBER OF INSPECTIONS = This item is to provide for funds to inspect completed ecosystem restoration projects and ecosystem restoration features of multi-purpose projects. These funds will be in the O&M account. The work category code is 60422. See subannex C-4 “Work Category Codes and Definitions – O&M Operations Accounts” in Annex C, for the full definition of “Inspections of Completed Work, Ecosystem Restoration. This was a new funding category for FY 2007. Districts will enter amounts in P2 in the same manner used for Inspection of Completed Works for Flood Damage Reduction. Enter the number of ecosystem restoration projects or features that will be inspected with the amount requested. This category is not for inspection of features completed as mitigation. The CCS is 640. The P2 Program Number is 081816.

68. OUTPUT OF BUDGET ITEM. In 60 words (300 characters) or less indicate what the FY 2009 budget amount accomplishes. For example: initiate or complete a study, contract, or project; reduce the study time x months; or contract work more efficiently, or link to other work in watershed more efficiently. This is where the phase or stage of a project or separable element should be mentioned; such as initiate stage 2 of 3 of phase 3 of 3.

69-73. These five columns are required for PED and Construction and projects listed in paragraph II-2.13. This data is required so that we will have a basis for stating how our budget relates to the President's wetland goals. The Council on Environmental Quality definitions of the terms in the column headings will be used. These definitions are found in Table II-2-4. The acres should be wetland acres as identified from the habitat types (Table II-2-3) entered in the project description. A project or separable element may report acres in more than one of these columns. Acres should be entered in whole numbers.

69. Acres Established.

70. Acres Restored.

71. Acres Rehabilitated

72. Acres Enhanced

73. Acres Protected

Table II-2-4
Council on Environmental Quality Wetlands Accomplishment Definitions

Accomplishment	Results	Definition
Restore or create	Results in a gain of wetland acres	*Creation* of wetlands that did not previously exist on an upland or deepwater site. These actions are referred to as **"establishment"** by the White House Wetlands Working Group (WHWWG). ***Restoration*** of a former wetland to its natural/historic function and resulting value. Typically, such a former wetland had been drained for some purpose. These actions are known as "re-establishment" by the WHWWG.
Improve	Results in a gain of wetland functions or quality, rather than additional acreage	Repair of the natural/historic functions and associated values of a degraded wetland. The WHWWG refers to these actions as **"*rehabilitation*"** of wetlands. Rehabilitation results in a gain in wetland quality. Heightening, intensification, or improvement of one or more selected functions and associated values. The WHWWG called these types of actions **"*enhancement*."** Enhancement is undertaken for a purpose such as water quality improvement, floodwater retention, or wildlife habitat. Enhancement results in the gain of selected wetland functions and associated values but may also lead to a decline in other wetland functions and values.
Protect	Preserves acreage but does not result in an addition of acres.	Acquisition of land or easement of at least 30 years duration.

Illustration II-2-1
Sample Spread Sheet
Ecosystem Ranking Criteria and Additional Data

Revised spreadsheet for FY 09

May 07 ENR
spreadsheet.xls

Illustration II-2-2
Habitat Types and Codes to be Used for Ecosystem Restoration

Apr 07 Habitat.xls

Sub-Appendix II-3
ENVIRONMENT-STEWARDSHIP

II-3.1. **Introduction.** The Corps is responsible for the management of 515 existing water resources projects located in 43 states. Each project's construction and operation is authorized under unique authorities for single or multiple-purposes such as navigation, flood control, hydropower, fish and wildlife, recreation and water supply. Included in those authorized projects and entrusted to Corps stewardship are streams, rivers, lakes, and their adjacent lands - totaling nearly 12 million acres and nearly 56,000 shoreline miles. In operating and maintaining its multi-purpose projects, the Corps integrates the management of the existing diverse natural resources (such as fish, wildlife, forests, grasslands, wetlands, soil, air, water) and cultural resources, with the provision of recreation opportunities. Guidance for accomplishing stewardship activities may be found in ER 1130-2-540. As a matter of law and good environmental practice, the Corps provides stewardship of its projects lands and waters to sustain healthy natural resources and cultural resources that occur on this federal estate and takes action to minimize adverse environmental impacts. The Environment-Stewardship vision is to provide healthy project lands and waters for future generations.

II-3.2. **Purpose.** The Corps Environment-Stewardship (E-S) mission is to manage, conserve and/or protect the natural and cultural resources at Corps operating water resources projects, consistent with project authorities and ecosystem sustainability approaches; consistent with the USACE Environmental Operating Principles; to meet environmental standards; and to serve the needs of present and future generations. Environment-Stewardship provides management of natural and cultural resources to achieve healthy, sustainable conditions, and fosters healthy lands and waters by balancing public uses and needs.

II-3.3. **Goals, Objectives, and Performance Measures.**

a. Environment-Stewardship seeks to fulfill the Civil Works (CW) goal to ensure that projects perform to meet authorized purposes and evolving conditions. Table II-3-1 displays the Environmental Stewardship Objectives and Performance Measures described in the Civil Works Strategic Plan for FY 2004 – FY 2009, dated March 2004. Preparation of the FY 09 budget request requires the recognition of a constrained budget environment and the ongoing effort to evolve better budget linked performance measures. Table II-3-2 displays the FY 09 Stewardship objectives and performance measures which support and/or supplement the Civil Works Strategic objectives (Table II-3-1) and performance measures, to reflect the near term realities of a constrained FY 09 budget environment.

TABLE II-3-1	
Civil Works Strategic Plan Objectives and Performance Measures*	
Environmental Stewardship Objectives	Performance Measure
Ensure healthy and sustainable lands and waters associated with natural resources on Corps lands held in public trust, to support multiple purposes.	Percent of acres with completed natural resources inventories.
Protect, preserve, and restore significant ecological resources in accordance with Master Plans.	Percent of projects requiring Master Plans in accord with current regulations.
Ensure that the operation of all Civil Works facilities and management of associated lands complies with the environmental requirements of all relevant Federal, State, and local laws and regulations.	Percent of all significant findings corrected annually. Percent of all identified major findings corrected annually.
Meet the mitigation requirements of authorizing legislation or applicable Corps decision document.	Percent of Corps administered mitigation lands (acres) that meet the requirements in the authorizing legislation or relevant Corps of Engineers decision document Percent of completed projects that have successfully met mitigation goals.

***** From the FY 04-09 Civil Works Strategic Plan, dated March 2004. See Table II-3-2 for the adjusted FY 09 budget-linked objectives and performance measures to be used in development of the FY 09 E-S budget.

b. Our ability to accomplish the Environment-Stewardship objectives depends heavily on certain key factors that are the focus of the FY 09 budget-linked objectives and performance measure outputs as presented in Table II-3-2. The key factors associated with accomplishing E-S objectives include that basic information must be available about the natural resources that exist on Corps operating projects. Further, there must be some evaluation of the condition and significance of those resources, at the project and within the watershed ecosystem -- to manage them effectively and efficiently, and to comply with the law and other resource protection mandates, such as legislatively authorized mitigation and Endangered Species Act mandates. Additionally, significant cultural resources that occur on project lands must be managed in accord with several federal protection mandates. Also, project Master Plans, which guide the manager in making informed and wise decisions on project land use proposals, must be up-to-date and in accord with regulation (ER and EP) 1130-2-550. (This regulation and guidance requires that Master Plans include a land classification that designates environmentally sensitive areas and include meaningful natural resources management objectives. The Master Plan promotes the identification, protection, conservation and sustainability of natural resources.) To build a highly effective and efficient budget, performance measures are utilized to attribute priority to that work which contributes to accomplishing the E-S objectives and results.

TABLE II-3-2 FY 09 Environment-Stewardship Budget-Linked Objectives and Performance Measures	
Budget-Linked Objectives	Performance Measure
Assure compliance with natural resources environmental mandates and legal requirements	**Mitigation Compliance** - Percent of total Corps administered mitigation acres, or percent of total required pounds/or individuals of mitigation fish produced, that meet the requirements in the authorizing legislation or applicable Corps authorization decision documents.
	Endangered Species Protection - Percent of Corps operating projects with federally listed species for which the Corps is meeting Endangered Species Act requirements or responsibilities.
Protect and preserve cultural resources	**Cultural Resources Management** - Percent of Corps operating projects that meet federally mandated cultural resources management responsibilities.
Ensure healthy and sustainable natural resources conditions.	**Healthy and Sustainable Lands and Waters** – Percent of total Corps fee-owned acres that are classified as in healthy and sustainable condition.
	Level One Natural Resources Inventory Completion - Percent of total acres requiring Level One Natural Resources Inventory for which the Level One Natural Resources Inventory is complete.
Balancing public uses of natural resources	**Master Plan Completion -** Percent of total projects requiring Master Plans for which the Master Plans are completed in accord with ER 1130-2-550.

c. Full descriptions of the FY 09 Environment-Stewardship budget-linked performance measures are provided in Illustrations II-3-1 to II-3-6.

II-3.4. **Environment-Stewardship Program Development – General Instructions**.

a. The Environment-Stewardship budget will be performance-based. It will be built by the development of incrementally justified budget packages for prudent work, categorized by work category code (See Annex C of this EC, sub-annex C-4 “Work Category Codes and Definitions – O&M Operations Accounts” for current codes) that realistically may be accomplished during the budget year and that provides quantifiable, efficient, and increased outputs toward the current E-S performance measures. Each included budget package will provide quantified outputs toward a single primary performance measure that reflects the primary reason why the budget package is justified and the category of outputs

anticipated from the work. So that stand-alone decisions may be made, each proposed budget package will consider and include all the costs (i.e. of the primary, as well as supporting, activities) that are necessary to accomplish the proposed work and result in performance output.

b. **Joint Activities –** Joint Costs. See guidance provided in Sub-Annex C-2, paragraph C-2.3.b.

c**. Environment-Stewardship Budget Evaluation System (E-S BEST) and P2**.

(1) E-S BEST is a web–based tool developed for field use in calculating Environment-Stewardship performance measure outputs for stewardship O&M activities and budget packages. E-S BEST must be used in developing the FY 09 E-S budget. E-S BEST will use data extracted from OFA and supplemental information provided by the project to calculate a value for each budget package's performance measure output. Using these measures, E-S BEST will facilitate ranking of all E-S budget packages at the District, Division, and HQ levels. For the FY 09 budget development, all budget and performance information entered in E-S BEST for FY 08 can be pre-populated into the FY 09 process unless the users choose not to. A 3% inflation rate will also be applied to all budget packages that are pre-populated from the FY 08 development to compensate for increase in O&M costs. Most projects should take the advantage of retrieving data from the previous year in E-S BEST and review/update the existing budget packages in E-S BEST instead of creating new ones. Work category codes used in budget packages should also be confirmed to assure work is accurately characterized. See Sub-annex C-4 of this EC for current codes.

(2) The performance measure information must be updated in E-S BEST by 1st June, 2007. These performance data will be extracted from E-S BEST and then merged with budget data extracted from P2 Primavera Project Manager in OFA. In the case where budget information has not been entered into P2 Primavera Project Manager, both budget and performance information will be extracted from E-S BEST and uploaded into P2 OFA. When entering budget information into P2 Primavera Project Manager, make sure the corresponding BEST ID's are entered for all budget packages to ensure the proper performance measures can be matched in OFA. For most projects, the preliminary budget information and the matching BEST_ID's can be carried over from previous year's data entry in P2 or should be taken from the existing E-S BEST database. For projects that start FY 09 budget development in E-S BEST first, you should provide the budget information to your P2 correspondent for data entry in P2 before the deadlines set by the district/division (must do this to get the BEST_ID if this is a new package for FY 09), to allow districts and MSC to review and evaluate their budgets comprehensively, across business lines. For projects that enter the budget directly into P2 based on FY 08 E-S BEST budget package information, make sure to revise your E-S BEST budget information accordingly. For either option, you must enter the matching BEST_ID when entering budget information in P2. The information needed to provide your P2 correspondents for data entry is available on the P2 summary page in E-S BEST. See Illustration II-3-7 of this Appendix for the FY 09 Environment-Stewardship Budget Development Work Flow diagram.

(3) Additional OFA uploads will be done on district or MSC request to the E-S BEST technical team at ERDC. As the budget review continues, necessary changes to E-S budget data will be coordinated and made in E-S BEST, with subsequent uploads to OFA as necessary. E-S BEST, along with directions for its use, may be accessed through the NRM Gateway at http://corpslakes.usace.army.mil/employees/esbest/esbest.html.

(4) To maintain the integrity of the E-S budget development process, the structure of stewardship increments in E-S BEST is fundamentally the same as the FY 08 process. However, to achieve consistency with the overall O&M program structure and to meet the requirement for entering budget information into P2, the E-S BEST budget increments should be matched in P2 according to Table II-3-3. That is, the *E-S BEST Minimal program* increment will be entered in P2 as increment 1; all E-S BEST "Critical" *Sustaining* program Increment budget packages (for remaining-critical and must-dos), along with

budget packages in *E-S BEST "*Non-Critical" *Sustaining* program that will sustain performance for future benefits and support meeting performance targets (these packages will be given a special identifier in E-S BEST) will be entered into P2 as increment 3*;* and all the other *Capability* or enhanced packages in *E-S BEST* will be entered in P2 as increment 4. There is no change on the BEST_ID's. The BEST_ID numbers should still be entered into P2 as the way they are in E-S BEST.

TABLE II-3-3
Budget Increments Reference Table between E-S BEST and P2

E-S BEST Increment	P2 Increment
Minimal Increment - critical, time-sensitive, least-cost activities to meet the minimum legal mandates, environmental requirements, to prevent the loss of significant natural and cultural resources, and to meet minimum project operating and safety requirements of the budget year (within the MSC minimal program dollar limit of 75% of the 5-year average of O&M President's budget by MSC)	Increment **1** (critical routine activities)
"Critical" Sustaining Increment – remaining critical, time-sensitive, least cost type work that exceeds the Minimal increment dollar limit	Increment **3** (sustain expected future benefits of project and support the target level output/service)
"Non-Critical" Sustaining Increment – sustain expected future benefits and recommended to meet targeted performance levels	
Capability Increment – enable greater levels of performance in future years, expected high return on investment	Increment **4** (capability or enhanced) enable greater levels of performance in future years)

d. Well-Written Budget Package Descriptions and Funding Arguments. In this performance based budget, every E-S budget package must relate to an increase in program performance or results. These linkages must be clear to all levels of reviews, both internal and external (e.g., OMB or Congress) to the Corps. Care should be taken to write all budget package descriptions clearly and concisely so that the reader can understand and appreciate the work for which funds are being requested. Well-written justifications are essential to convince reviewers who are not familiar with the work to fund your needs.

e. Each budget package will be assigned to one of the E-S incremental funding categories based on the performance measure output criteria and ranking factors specified for each increment. These criteria and ranking factors are described in the paragraphs that follow. Budget packages assigned in the described increments will be used to develop the HQ proposed Civil Works Initial**,** Recommended and Capability programs.

II-3.5. **Budget Increments for Environment-Stewardship.** Please reference the definitions and guidance concerning O&M program Increments in the Project Operations and Maintenance Sub-Annex C-2 of this EC. The Environment-Stewardship budget increments are generally aligned with the overall O&M increment structure. However, the utility of Increment 2 as described in the O&M structure is not very meaningful for the E-S program. Therefore, a separate Increment 2 for E-S (that corresponds with the O&M increment descriptions) will not be built. Those critical, time-sensitive, minimal program level

budget packages (for both routine and non-routine activities) will be combined into one increment for consideration in building the minimal E-S program. The minimal E-S program is defined as the E-S portion of the MSC minimal program. The total amount of the minimal E-S program must be assigned to Increment 1 in P2 and must be within the MSC minimal program limit (75% of the amount in Table **C-2.2** by MSC). The E-S increments are defined by the type of work proposed in each, by outputs toward the current E-S performance measures (Table II-3-2) as assessed by performance measure output criteria, and by the priority work contained in each increment, as assessed through ranking factors. Each increment will include budget packages that must provide justified and quantifiable outputs toward one or more of the current performance measures. All six-performance measures apply through each increment; however, the performance measure output criteria and ranking factors vary. These are described specifically in paragraph II-3.6. General descriptions of each of the Environment-Stewardship Increments follow in the paragraphs below.

a. **Minimal Program Increment**. Each MSC will build an Environment-Stewardship minimal program budget that is based on performance measure outputs and that includes the least amount of funding necessary to accomplish only those critical and time-sensitive (must be performed in FY 2009) project work efforts that are necessary to meet the minimum legal mandates, environmental requirements, to prevent the loss of significant natural and cultural resources, and to meet minimum project operating and safety requirements of the budget year. This Increment should provide the greatest benefit for the investment, based on performance measure outputs. This Increment will seek to avoid violation of: legal mandates for natural and cultural resources stewardship, environmental compliance, operation, and safety. Work and funding included in this Increment will define the minimal Environment-Stewardship program for the budget year and will be assigned to Increment 1 in P2.

b. **Sustaining Program Increment.** This increment is to incorporate those budget packages that are beyond the Environment-Stewardship minimal program funding level and that are to sustain the expected future benefits of the project and support meeting targeted levels of performance. Budget packages included in this Increment must be performance based and provide quantified and increased output (in addition to the minimal increment) toward one or more of the E-S performance measures. The sustaining program increment will be prioritized for relative effectiveness and efficiency in accomplishing the performance objectives and outputs, and will realistically reflect work that can be accomplished or necessary funds that can obligated in the budget year, and as applicable, realistic financing capability on the part of non-Federal sponsors. As fiscal constraints dictate and efficient performance outputs justify, budget packages of this increment will be evaluated in developing the HQ Civil Works E-S Recommended and Capability level programs for the budget year. Budget packages in the Sustaining increment will include as high priority those remaining “critical”, time-sensitive, least-cost activities that meet the description and work type criteria of Minimal program increment, but that were not included in that increment due to the MSC minimal program amount limitation. Additionally, this increment will include above minimal budget **“**non-critical” packages that sustain the expected future benefits of the project and that directly support the achievement of targeted levels of performance, through prudent, realistic, and efficient operation, management and maintenance of project natural and cultural resources. In most cases, activities in this increment will support continuing the level of service that customers, stakeholders, and others have come to expect and depend on for sustaining public safety, and economic, environmental and social benefits. Budget packages in the Sustaining Program Increment will be assigned to Increment 3 in P2.

c. **Capability Program Increment.** This increment shall include activities and associated budget packages that have a high expected return on investment that enable greater levels of performance in future years. Budget packages in this increment will be evaluated in developing the HQ Civil Works E-S Capability Program and will be assigned to Increment 4 in P2.

II-3.6. **Performance Measure Output Criteria and Ranking Factors - by Increment.** All six-performance Environment-Stewardship performance measures apply through each increment; however, the performance measure output criteria and associated ranking factors for budget packages vary. Below, the overall outputs to be achieved are described for each performance measure, followed by the more specific performance output criteria and budget package ranking factors that are applicable in each E-S budget Increment. Budget packages in any increment must meet one or more of the performance output criteria for that increment. It is not necessary however to build or include budget packages for every performance measure in each increment. Build and include only those that are applicable to the project. Each budget package will be developed and assigned in E-S BEST to a single E-S performance measure, and in a single appropriate E-S increment in accord with the following.

a. **Mitigation Compliance**. Budget packages are for operations, management and maintenance requirements identified and/or specified in project authorization legislation or project authorization decision documents, that are necessary to mitigate for adverse impacts to ecological resources unavoidably induced by Corps project construction or operation. See Illustration ll-3-1. (Note: since mitigation can occur on other than fee-owned land, no land ownership criteria are fixed to the location of outputs toward this performance measure as long as there is an authorized Corps obligation.) "Mitigation" considered under this performance measure does not include compensatory requirements that result from routine real estate out-grant actions or routine O&M actions. The "Mitigation Compliance" performance measure will be assigned in E-S BEST to those budget packages that provide this output. The amount of mitigation performance output to be generated by "Mitigation Compliance" budget packages (e.g. number of mitigation acres directly affected, number of pounds or individuals of fish produced, etc.) will be recorded in E-S BEST.

(1) **Mitigation Compliance –** Minimal Increment is for critical, time-sensitive (must be performed in the budget year), least-cost mitigation compliance work that may be accommodated within the total MSC minimal program dollar limit (see Sub-Annex C-2, Table C-2.2).

(a) Performance Output Criteria. Include budget packages for:
- specifically authorized mitigation work necessary in the budget year.

(b) Ranking Factors. Priority should be given to budget packages:
- for the operations, management and maintenance of essential work as required by Congressional authorization or HQ approved project authorization decision document;
- that maximize efficiency of funds invested for this purpose.

(2) **Mitigation Compliance –** Sustaining Increment is for above the minimal program mitigation compliance operations and maintenance activities to sustain expected future benefits and levels of service of, and to achieve performance targets of, mitigation outputs.

(a) Performance Output Criteria. Include budget packages:
- that meet the same output criteria listed for minimal increment 1of this measure (these packages can not accommodated in the minimal increment due to MSC minimal program limit);
- for inventory techniques and practices beyond a required evaluation that support operations, management and maintenance requirements that are necessary for the project to manage authorized fish and wildlife mitigation activities and facilities.

(b) Ranking Factors: Priority should be given to budget packages:
- that respond to same ranking factors as in the minimal increment of this measure;

- for recommended practices included and described in approved Corps Feature Design Memoranda or other project authorization decision documents, or Operational Management Plans;
- that maximize efficiency of funds invested for this purpose.

(3) **Mitigation Compliance – Capability Increment** will include budget packages for work that is beyond mitigation compliance requirements and beyond activities which directly support the current management of mitigation activities and facilities. Budget packages in this increment are expected to enable greater levels of performance in future years and have a high expected return on investment in future years.

(a) Performance Output Criteria. Include budget packages for:
- that enhances or enables greater levels of mitigation performance in future years.

(b) Ranking Factors. Priority should be given to budget packages:
- that maximize efficiency of funds invested for this purpose.

b. **Endangered Species Protection.** Budget packages are for operations, management and maintenance requirements necessary to comply with Endangered Species Act (ESA) requirements and for the protection of endangered and threatened species that occur on the project lands or that are impacted by project operation. See Illustration II-3-2. The "Endangered Species Protection" performance measure will be assigned in E-S BEST to budget packages that are to accomplish these outputs. Budget packages will indicate the least amount of funding necessary to accomplish the work in the budget year.

(1) **Endangered Species Protection –** Minimal Increment is for critical, time-sensitive (must be erformed in the budget year) and least-cost endangered species protection work that may be accommodated within the total MSC minimal program dollar limit (see Sub-Annex C-2, Table C-2.2).

(a) Performance Output Criteria. Include budget packages:
- to conduct the necessary Endangered Species Act (ESA) coordination/consultation activities for project operation;
- to implement required "reasonable and prudent alternatives" (to avoid likely "jeopardy" or adverse critical habitat modification to federally listed species) or non-discretionary "reasonable and prudent measures" (outlined in incidental take statements);
- to implement other mandatory items specified in an applicable Final ESA Biological Opinion (Note: Do not include funding for the implementation of mitigation, or conservation recommendations, or other discretionary measures identified as a result of ESA consultation);
- that implement essential management practices on Corps fee-owned properties, for Federally-listed endangered or threatened species on Corps fee-owned properties (i.e. species that are not otherwise protected by "reasonable and prudent alternatives" and/or non-discretionary "reasonable and prudent measures") to avoid direct adverse impacts to the species or their habitat, in the budget year.

(b) Ranking Factors. Priority should be given to budget packages:
- for federally listed endangered or threatened species with Final Biological Opinions;
- for federally listed endangered or threatened species with Draft "Likely Jeopardy" Biological Opinion;
- for other federally listed endangered or threatened species;
- that maximize efficiency of funds invested for this purpose.

(2) **Endangered Species Protection –** Sustaining Increment is for above the minimal program endangered species protection operations and maintenance activities to sustain expected future benefits and levels of service of, and to achieve performance targets of, of endangered species protection outputs. As priority, budget packages included in this increment will result in the complete operations, management and maintenance of project endangered species protection requirements of the budget year.

(a) Performance Output Criteria. Include budget packages:
- that meet same output criteria listed for the minimal increment of this measure (these packages are not accommodated in the minimal increment due to MSC minimal program limit);
- for research, monitoring or modeling required beyond evaluation to support the operations, management and maintenance requirements necessary for the project to implement "reasonable and prudent" project operation alternatives, or measures, on Corps fee-owned properties - as specified in Final ESA Biological Opinions, Final Recovery Plans, *Feature* Design Memoranda, Operational Management Plans, or other decision documents relating specifically to a particular operating facility;
- to implement Conservation Measures for federally listed species as described in Biological Opinions issued to the Corps by the U.S. Fish and Wildlife Service, and/or the National Marine Fisheries Service (USFWS/NMFS);
- to implement protection practices for State listed endangered or threatened species to prevent the adverse impact to such species.

(b) Ranking Factors. Priority should be given to budget packages:
- that respond to same ranking factors as in the minimal increment of this measure;
- or federally listed endangered or threatened species with a final Biological Opinion;
- for federally listed endangered or threatened species with Final Recovery Plans.
- for state listed endangered or threatened species;
- that maximize efficiency of funds invested for this purpose.

(3) **Endangered Species Protection –** Capability Increment will include budget packages for work that is beyond ESA compliance requirements for current federally listed endangered or threatened species or beyond work that directly sustains the implementation of Endangered Species protection activities or requirements. Budget packages in this increment are expected to enable greater levels of endangered species protection performance and have a high expected return on investment in future years

(a) Performance Output Criteria. Include priority budget packages:
- that enhance endangered species protection activities.

(b) Ranking Factors. Priority should be given to budget packages:
- for federally listed endangered or threatened species
- for state listed endangered or threatened species;
- that maximize efficiency of funds invested for this purpose.

c. **Cultural Resources Management**. Budget packages are for operations, management and maintenance requirements to meet federally mandated responsibilities for the management of significant cultural resources. Authorities include, but may not be limited to, Sections 106 and 110 of the National Historical Preservation Act (NHPA), Section 3 of the Native American Graves Protection and Repatriation Act (NAGPRA), and Sections 4 thru 9 of the Archeological Resources Protection Act (ARPA). The term

"significant cultural resources" means "historic property" as defined in Section 301 of NHPA and "inadvertent discoveries" as defined in Section 3 of NAGPRA; and "archeological resources" as defined in section 3 of ARPA. See Illustration II-3-3. The "Cultural Resources Management" performance measure will be assigned in E-S BEST to budget packages that are to accomplish these outputs. Budget packages will indicate the least amount of funding necessary to accomplish the work in the budget year.

(1) **Cultural Resources Management –** Minimal Increment is for critical, time-sensitive (must be performed in the budget year) and least-cost cultural resources management work that may be accommodated within the total MSC minimal program dollar limit (see Annex C-2, Table C-2.2).

(a) Performance Output Criteria. Include budget packages:
- to prevent imminent threats to historic properties as defined in NHPA Section 301, inadvertent discoveries as defined in NAGPRA Section 3 and archeological resources having religious or cultural significance as defined in ARPA Sections 3 and 4 through preservation and protection or by implementing appropriate mitigation measures;
- to complete the NHPA Section 106 "process", tribal consultation and coordination, law enforcement and other management measures identified in statutory, regulatory, and operational management directives.
- to complete requirements for specific cultural resources surveys, testing, evaluation, analysis needed prior to the initiation of critical O&M work.
- to house and curate archaeological collections to the standards outlined in 36 CFR Part 79 (Curation of Federally-Owned and Administrated Archaeological Collections).

(b) Ranking Factors. Priority should be given to budget packages:
- for National Register of Historic Places (NRHP) listed resources on Corps fee-owned property);
- for existing curation contracts that continue to meet 36 CFR Part 79.
- for NRHP listed resources on Corps administered, less-than-fee owned, properties;
- for resources eligible for listing on the NRHP;
- for required activities in support of the OMP proposed development or proposed land disturbances;
- for work that completes the development a project HPMP during the budget year;
- that maximize efficiency of funds invested for this purpose.

(2) **Cultural Resources Management –** Sustaining Increment is for above the minimal program cultural resources management activities to sustain expected future benefits and levels of service of, and to achieve performance targets of, project cultural resources management outputs. As a priority, budget packages in this increment will result in the complete operations, management and maintenance of the project cultural resources management mandates of the budget year.

(a) Performance Output Criteria. Include budget packages:
- that meet same output criteria as listed for the minimal increment of this measure (these packages are not accommodated in the minimal increment due to MSC minimal program limit);
- to manage cultural resources properties of unknown NRHP eligibility, but may still have consideration under various statutory authorities.

(b) Ranking Factors. Priority should be given to budget packages:
- that respond to same ranking factors as in the minimal increment of this measure;
- to implement work on Corp fee-owned properties;
- that are in support of and in accord with the project OMP;

- to prepare a Historic Property Management Plan;
- that maximize efficiency of funds invested for this purpose.

(3) **Cultural Resources Management –** Capability Increment will include budget packages for work that is beyond mandated cultural resources management but that enhances the management of cultural resources. Budget packages in this increment are expected to enable greater levels of performance in future years and have a high expected return on investment in future years.

(a) Performance Output Criteria. Include budget packages for:
- work enhances efficiency in responsible management of cultural resources.

(b) Ranking Factors. Priority should be given to budget packages:
- for cultural resources on Corps properties;
- that maximize efficiency of funds invested for this purpose.

d. **Healthy and Sustainable Lands and Waters.** Budget packages are to improve and or maintain specific or general conditions for natural resources on Corps fee-owned lands such that those acres will be moved from a "degraded" or "transitioning" condition, to a condition that is classified as healthy and "sustainable". See Illustration II-3-4. The "Healthy and Sustainable Lands and Waters" performance measure will be assigned in E-S BEST to budget packages that are to accomplish these outputs. Budget packages will indicate the least amount of funding to accomplish work in the budget year.

(1) **Healthy and Sustainable Lands and Waters –** Minimal Increment is for critical, time-sensitive (must be performed in the budget year) and least-cost healthy and sustainable land and water resources activities that may be accommodated within the total MSC minimal program dollar limit (see Sub-Annex C-2, Table C-2.2).

(a) Performance Output Criteria. Include budget packages necessary:
- to accomplish essential routine and basic stewardship functions for the protection of project natural resources on Corps fee-owned acreage;
- to protect Corps fee-owned lands and waters against encroachments and imminent loss of significant natural resources (including soils, vegetation, and animal species) due to erosion, wildfire, pest outbreaks, trespass, or human activities and/or environmentally induced events (e.g. include activities such as minimal boundary monitoring/surveillance, essential evaluation of and response to land use requests such as road or utility right-of way requests by non-Corps entities, compensation requirements resulting from routine real estate out grants and routine O&M actions, fire/pest prevention, timber theft monitoring; fish and wildlife sustainability practices such as counts, evaluation and/or monitoring);
- to provide safe and efficient passage, collection, and/or transportation for adult and/or juvenile fish at multi-purpose Corps facilities as required in authorizing legislation and/or a relevant HQ approved decision document (e.g. fish passage facilities operation, water quality monitoring as required for fish health and safety, and transportation of fish) – [DO NOT INCLUDE the costs of Mitigation or ESA compliance activities related to fish passage, collection and or transport. Instead, use the Mitigation Compliance or Endangered Species Protection measure.]
- to operate project facilities directly related to the stewardship of natural resources;
- to provide oversight and coordination of environmental stewardship activities related to the management of the Shoreline Management Program.

(b) Ranking Factors. Priority should be given to budget packages:

- that benefit projects with higher total numbers of Shoreline Use Permits and/or Real Estate outgrants currently in effect;
- that achieve significant progress in moving fee-owned lands from a “degraded” to “transitioning” status (see Illustration II-3-4);
- that protect environmentally sensitive areas that are designated in accord with ER/EP 1130-2-550 and that are identified in the project Master Plan;
- that directly controls, eradicates or prevents the introduction of, invasive species populations;
- that directly benefit significant species - not otherwise protected by legislated mitigation or ESA measures - that are identified in project authorization documents and that are significantly susceptible to loss in the budget year;
- that maximize efficiency of funds invested for this purpose.

(2) **Healthy and Sustainable Lands and Waters –** Sustaining Increment is for above the minimal program healthy and sustainable lands and waters operations and maintenance activities to sustain expected future benefits of, and achieve performance targets of ,this performance output. Budget packages will result in the prudent and recommended operations, management and maintenance of project natural resources for the budget year – that prevent decline in resource condition or safety, or move those resources toward a healthy and sustainable, and safe condition.

(a) Performance Output Criteria and Ranking Factors. Include budget packages:

- that meet same output criteria as listed for the minimal increment of this measure (these packages are not accommodated in the minimal increment due to MSC minimal program limit);
- to implement management practices to meet operational goals and objectives presented in project Master Plan and Operations Management Plan (OMP) for Corps fee-owned properties (e.g. shoreline management planning, boundary maintenance, preparation of the OMP, evaluation of land use requests, fire or pest management, comply with federal natural resources protection laws);
- that will fulfill any additional requirements deemed necessary for meeting the fish passage criteria as outlined in a Corps approved fish passage plan;
- to implement management practices to meet operational goals and objectives presented in project OMP for Corps easement properties;
- for any discretionary activities, conditions and facilities requested by US Fish and Wildlife Service, National Marine Fisheries Service and/or a State that are in accord with a HQUSACE approved final decision document.

(b) Ranking Factors. Priority should be given to budget packages:

- that respond to same ranking factors as in the minimal increment of this measure;
- to prevent natural resources degradation or loss;
- to protect environmentally sensitive areas designated in accord with ER/EP 1130-2-550 and identified in the project Master Plan;
- for work accord with the recommended schedule and management practices prescribed in the project OMP or Corps approved fish passage plan;
- for special status species;
- for work to be accomplished in partnership with public or private entities that result in leveraged resources (e.g. challenge partnerships);
- that maximize efficiency of funds invested for this purpose.

(3) **Healthy and Sustainable Lands and Waters –** Capability Increment will include budget packages for natural resources management activities considered at a capability or enhanced level.

These budget packages enable greater levels of performance in future years and have a high expected return on investment in future years.

(a) Performance Output Criteria. Include budget packages:
- to enhance the condition of project lands and waters

(b) Ranking Factors. Priority should be given to budget packages:
- that maximize efficiency of funds invested for this purpose.

e. **Level One Natural Resources Inventory Completion.** Budget packages are for operations, management and maintenance requirements to complete components (Vegetation, Wetlands, Project Land (Soils) Capability and Special Status Species) of the Level One Natural Resources Inventory. The minimum Level One Natural Resources Inventory, including the above components, is required on Corps fee-owned properties in accordance with ER 1130-2-540, to develop natural resource management objectives and land use classifications for the Master Plan and Operational Management Plan (see Illustration II-3-5). The "Level One Natural Resources Inventory" performance measure will be assigned in E-S BEST to budget packages that are to accomplish these outputs. Budget packages will indicate the least amount of funding necessary to accomplish the work in the budget year.

(1) Level One Natural Resources Inventory Completion – Minimal Increment is for critical, time-sensitive (must be performed in the budget year) and least-cost level one natural resources inventory work that may be accommodated within the total MSC minimal program dollar limit (see Sub-Annex C-2, Table C-2.2).

(a) Performance Output Criteria. Include budget packages:
- to identify and describe the natural resources situated on the project fee-owned acreage, or anticipated to occur on the project fee-owned acreage (i.e. any component of the minimum Level One Natural Resources Inventory: special status species, vegetation, wetlands or land (soils) capability).

(b) Ranking Factors. Priority should be given to budget packages with the most effective combination of the following factors:
- work is needed to evaluate and determine the status of federally listed species thought to occur on the project;
- one third or more of the project fee-owned boundary is immediately adjacent to developed (commercial, residential, and industrial) lands;
- work supports development of an impending Master Plan supplement or update;
- work completes an individual inventory component, or a combination of inventory components, during the budget year;
- maximized efficiency of funds invested for this purpose.

(2) **Level One Natural Resources Inventory Completion –** Sustaining Increment is for above the minimal program Level One Natural Resources Inventory operations and maintenance activities to sustain expected future benefits of, and to achieve performance targets of this output. Budget packages will result in prudent operations, management and maintenance activities necessary to initiate, continue, or complete the minimum level inventories, that are recommended in the budget year.

(a) Performance Output Criteria. Include budget packages:

- that meet same output criteria as listed for the minimal increment of this measure (these packages are not accommodated in the minimal increment due to MSC minimal program limit);
- to initiate, continue, or complete any component, or combination of components, of the Level One Natural Resources Inventory on Corps fee-owned properties to develop natural resource management objectives and land use classifications for the Master Plan.

(b) Ranking Factors. Priority should be given to budget packages with the most effective combination of the following factors:

- factors included in the minimal increment of this measure;
- number of federal and state listed endangered and threatened that potentially occur on project lands;
- work included will result in the completion of the recommended Level One Natural Resources Inventory scheduled for the project;
- maximized efficiency of funds invested for this purpose.

(3) **Level One Natural Resources Inventory Completion –** Capability Increment will include budget packages for inventory completion considered at a capability or enhanced level. These budget packages enable greater levels of performance in future years and have a high expected return on investment in future years.

(a) Performance Output Criteria. Include budget packages:

- that accelerate the completion of minimum level one natural resources inventories

(b) Ranking Factors. Priority should be given to budget packages:

- that maximize efficiency of funds invested for this purpose.

f. **Master Plan Completion.** Budget packages are for work to complete a Master Plan supplement or update that includes natural resources management objectives, identifies environmentally sensitive areas, and meets requirements of ER/EP 1130-2-550, during the budget year. See Illustration II-3-6. The “Master Plan Completion” performance measure will be assigned in E-S BEST to budget packages that are to accomplish these outputs. Budget packages will indicate the least amount of funding necessary to accomplish the work in the budget year.

(1) **Master Plan Completion –** Minimal Increment is for critical, time-sensitive (must be performed in the budget year) and least-cost master plan work that may be accommodated within the total MSC minimal program dollar limit (see Sub-Annex C-2, Table C-2.2).

(a) Performance Output Criteria. Include budget packages:

- to initiate, continue, or complete a Master Plan supplement or update where the natural resources on Corps fee-owned lands face imminent threat from commercial, residential and industrial development on private lands immediately adjacent to the project boundary.

(b) Ranking Factors. Priority should be given to budget packages with the most effective combination of the following factors:

- one third or more of the project fee-owned boundary is immediately adjacent to developed (commercial, residential, and industrial) lands;
- age of Master Plan;
- budget package completes the project Master Plan or supplement in the budget year;
- maximized efficiency of funds invested for this purpose.

(2) **Master Plan Completion -** Increment 3 is for above the minimal program Master Plan completion operations and maintenance activities to sustain expected future benefits of, and to achieve performance targets of this output. Budget packages will result in prudent operations, management and maintenance activities necessary to initiate, continue, or complete a required Master Plan or supplement, recommended in the budget year.

(a) Performance Output Criteria. Include budget packages:
- that meet same output criteria as listed for the minimal increment of this measure (these packages are not accommodated in the minimal increment due to MSC minimal program limit);
- to update Master Plans in accord ER 1130-2-550 for all fee-owned property on operating Corps administered projects.

(b) Ranking Factors. Priority shall be given to budget packages that provide the most effective combination of the following factors:
- factors included in the minimal increment of this measure;
- work is to update natural resources objectives, land use classification and the specific identification of all environmentally sensitive areas, on Corps fee-owned properties;
- age of the existing master plan;
- work is in accord with schedule to complete the plan;
- maximized efficiency of funds invested for this purpose.

(3**) Master Plan Completion –** Capability Increment will include budget packages for master plan, or master plan supplement completion that are considered capability for accomplishment in the budget year. These budget packages enable greater levels of performance in future years and have a high expected return on investment in future years.

(a) Performance Output Criteria. Include budget packages:
- that accelerate the completion of master plan, or master plan supplement, requisites

(b) Ranking Factors. Priority should be given to budget packages:
- that maximize efficiency of funds invested for this purpose.

II-3.7. Five-Year Performance/Funding Glide Plan.

a. The Civil Works Five-Year Development Plan purpose is to present an overview on how the funding for the Civil Works program over a five-year period will produce results that contribute to achievement of the strategic goals and objectives in the Civil Works Strategic Plan. The five-year plan focus is to undertake projects and activities that provide the highest net economic and environmental returns on the Nation's investment. See paragraph 8 (b) of the main part of this EC for details.

b. To accomplish development of the Environment-Stewardship Five-Year Recommended Performance/Funding Glide Plan, performance targets for each of the budgetary Environmental Stewardship Performance Measures (See Illustrations II-3-1 through II-3-6) have been established (Table II-3-4). These targets are set to achieve and maintain the Environmental Stewardship program compliance type outputs (e.g. Mitigation Compliance, Endangered Species Protection, Cultural Resources Management) as well as to achieve incremental progress in the other measured program outputs (Healthy and Sustainable Lands and Waters, Level One Natural Resources Inventory Completion, and Master Plans Completion).

c. Each project will submit the five–year funding stream that is necessary to both maintain, from year to year, the achieved levels of performance and to increase performance output each year by the percentages noted in Table II-3-4. The total budget needed will be entered in E-S BEST and will be exported to OFA for review. The funding streams will be the basis for the PY budget and the FY 2009-2013 Five-Year Development Plan which will be submitted to Congress and Office of Management and Budget along with the budget submission. MSC five-year recommended programs must be included in the 29 June 2007 submission. After the MSC submit their five-year funding streams, a CW Five-year Development Plan will be prepared which contains the recommended programs.

Table II-3-4. FY 09 Performance Targets for Five -Year Recommended Glide Plan

Performance Measure	FY				
	2009	2010	2011	2012	2013
Healthy and Sustainable Lands and Waters	3%*	3%*	3%*	3%*	3%*
Endangered Species Protection	100%**	100%**	100%**	100%**	100%**
Level One Natural Resources Inventory Completion	10%*	10%*	10%*	10%*	10%*
Master Plan Completion	10%*	10%*	10%*	10%*	10%*
Cultural Resources Management	100%**	100%**	100%**	100%**	100%**
Mitigation Compliance	100%**	100%**	100%**	100%**	100%**

* Maintain performance level from previous year and increase performance output (as feasible) by this percentage.
** Attain and maintain this level of performance output.

ILLUSTRATION II-3-1

ENVIRONMENT – STEWARDSHIP
FY 09 PERFORMANCE MEASURE
MITIGATION COMPLIANCE

GOAL: Assure compliance with environmental mandates and legal requirements (Corps mitigation outputs meet the requirements of authorizing legislation or relevant Corps decision document.)

Key Result Areas: Environment Stewardship Results and Justification

Customer: Public

Measure: Percent of Corps administered mitigation lands (acres), or the percent of pounds/numbers of mitigation fish produced at mitigation hatcheries, meeting the requirements in the authorizing legislation or relevant Corps of Engineers authorization decision document.

> ***Mitigation lands***: Mitigation lands are those lands on which mitigation measures are taken to compensate for adverse ecological impacts unavoidably caused by Corps projects or activities. For the performance measure, these lands are those authorized by Congress or approved by HQUSACE in a formally documented authorization decision document.
>
> ***Mitigation fish hatcheries***: Mitigation fish hatcheries are those facilities which are which are funded or operated by the Corps for the taking, fertilization, incubation and hatching of fish eggs, and rearing of young fish to be released, to compensate for unavoidable adverse impacts to fish species caused by Corps projects.
>
> ***Corps administered*** lands: Corps lands either managed by the Corps or lands licensed permitted or leased from the Corps.

Definition: Number of designated Corps administered mitigation lands (acres) meeting mitigation requirements divided by the total number of designated Corps administered mitigation lands (acres), or number of pounds (or number of individual) fish produced in a mitigation hatchery, divided by the number of pounds (or number of individuals) of fish required to be produced at a mitigation fish hatchery to meet the mitigation requirement for the budget year.

Demonstrates: Status of Corps efforts to meet mitigation requirements.

Unit of Output: Acres or number of pounds or individuals of fish

Data Source: OMBIL, E-S BEST

ILLUSTRATION II-3-2

ENVIRONMENT – STEWARDSHIP
FY 09 PERFORMANCE MEASURE
ENDANGERED SPECIES PROTECTION

GOAL: Assure compliance with environmental mandates and legal requirements identified in Federal law

Key Result Areas: Environment-Stewardship Results and Justification

Customer: Public

Measure: Percent of Corps operating projects with Endangered Species Act requirements for which the Corps is meeting Endangered Species Act (ESA) requirements or responsibilities.

Definition: Total number of Corps projects that meet ESA compliance requirements in the budget year divided by the total number of projects that have ESA compliance requirements in the budget year.

Demonstrates: Status of Corps efforts to meet ESA requirements.

Unit of Output: Corps projects in compliance with ESA requirements.

Data Source: OMBIL

ILLUSTRATION II-3-3

ENVIRONMENT – STEWARDSHIP
FY 09 PERFORMANCE MEASURE
CULTURAL RESOURCES MANAGEMENT

GOAL: Protect and preserve cultural resources.

Key Result Areas: Environment-Stewardship Results and Justification

Customer: Public

Measure: Percent of Corps operating projects meeting federally mandated cultural resources management responsibilities.

Definition: The total number of Corps projects meeting federally mandated cultural resources management responsibilities divided by the total number of Corps projects with federally mandated cultural resources management responsibilities.

Demonstrates: Status of Corps efforts to protect and preserve cultural resources.

Unit of Output: Projects complying with federally mandated cultural resources responsibilities.

Data Source: OMBIL

ILLUSTRATION II-3-4

ENVIRONMENT – STEWARDSHIP
FY 09 PERFORMANCE MEASURE
HEALTHY AND SUSTAINABLE LANDS AND WATERS

GOAL: Manage natural resources to assure a healthy and sustainable condition and fully integrate the Corps of Engineers Environmental Operating Principles (EOPs).

Key Result Areas: Environment-Stewardship Results and Justification

Customer: Public

Measure: Percent of healthy and sustainable acres on Corps fee-owned property.

> ***Sustainable:*** Meets the desired state. The acreage is not significantly impacted by any factors that can be managed and does not require intensive management. The acreage also meets operational goals and objectives set out in project Operational Management Plan (OMP) or other applicable management document. These acres are considered healthy and sustainable for future generations. Only minor management practices may be required to maintain the health. For the purposes of this measure, Project Operations Lands (occupied by prime facilities such as the project office, dam, locks and other facilities) identified in the Master Plan are to be classified as "sustainable".
>
> ***Fee-Owned***: Real property for which the U.S. has <u>all</u> rights, titles, and interest.

Definition: The number of Corps fee-owned acres classified as in a sustainable condition versus the total number of Corps fee-owned acres.

The result for this measure provides an indicator of the status of all Corps fee-owned acres (land and water). This indicator shall be the overall condition of project acreage as assigned during the inventory and classification of vegetation on Corps fee-owned land. The National Vegetation Classification System (NVCS) is the system that the Corps has adopted for the Level One Natural Resources Inventory and the vegetation classes of the NVCS will be the reference unit for which the condition will be assigned. The NVCS data collection will be supported in the Environment-Stewardship module of OMBIL beginning in FY 05. The measure of sustainable acres will use the NVCS if the Corps fee lands have been classified using the NVCS. Special note: Many projects have used other vegetative classification systems in the conduct of their Level One Natural Resources Inventory. During the initial 4 years of implementation of this measure and of data transition to the NVCS, those other systems may be used along with "best professional judgment" to quantify the number of sustainable fee-owned acres.

Each project will identify and categorize their project fee-owned acres into the four following categories:

a. Sustainable – Meeting desired state. The acreage is not significantly impacted by any factors that can be managed and does not require intensive management. The acreage also meets operational goals and objectives set out in project OMP or other applicable management document. These acres are considered healthy and sustainable for future generations. Only minor management practices may be required to maintain the health.

b. Transitioning – Managed to meet desired goals. The acreage is impacted by human or other environmental factors that require management of the acreage to meet goals and objectives outlined in the project OMP or other applicable management document.

c. Degraded – Does not meet desired goals. The acreage is significantly impacted by human or other environmental factors that prevent the acreage from meeting desired goals outlined in the project OMP or other management documents. The acreage is not considered healthy. Intense management may be required to meet desired goals.

d. Not Assessed – The acreage has not been assessed against operational goals and objectives and thus a condition rating cannot be determined.

Demonstrates: Status of Corps efforts in achieving the goal of 100% environmental sustainability.

Unit of Output: Acres

Data Source: OMBIL

ILLUSTRATION II-3-5

ENVIRONMENT – STEWARDSHIP
FY 09 PERFORMANCE MEASURE
LEVEL ONE NATURAL RESOURCES INVENTORY COMPLETION

GOAL: Manage natural resources to assure a healthy and sustainable condition, and fully integrate the Corps of Engineers Environmental Operating Principles (EOPs).

Key Result Areas: Environment-Stewardship Results and Justification

Customer: Public

Measure: Percent of minimum Level One Natural Resources Inventory completed on Corps fee-owned real properties.

Fee Owned: Real property for which the U.S. has all rights, titles, and interest (not partial).

Minimum Level One Natural Resources Inventory: The completion of Level One natural resources inventories at Corps Civil Works projects is required in accordance with ER 1130-2-540. For the purposes of this performance measure the minimum Level One natural resources inventory shall consist of the completion of four component items:

- Project vegetation acreage classification and quantification, in accord with the Federal Geographic Data Center *National Vegetation Classification System* (though sub-class level). See http://www.fgdc.gov/standards/status/sub2_1.html

- Project wetland acreage classification and quantification, in accord with the US Fish and Wildlife Service *Classification of Wetlands and Deepwater Habitats of the United States.* See http://wetlands.fws.gov/Pubs_Reports/Class_Manual/class_titlepg.htm

- Project land (soils) capability classification and quantification, as defined by the Natural Resources Conservation Service –Land Capability Classes. See www.nrcs.usda.gov/technical/land/meta/m6175.html

- Special Status Species (Federal and State listed endangered and threatened species) identification and assessment for potential existence on project acreage. See http://endangered.fws.gov/wildlife.html - Species, and various State Natural Heritage sites.

Definition: The sum total number of acres of completed inventory for each component of the minimum Level One inventory (vegetation, wetlands, land capability and special status species), divided by four (4) times the total number of Corps fee owned acres. The proportion (percentage) yielded will be used to evaluate the relative completeness of the Level One Natural Resources Inventory.

Demonstrates: Status of Corps efforts in completing basic natural resources inventories which are necessary for sound resource management decisions and strategies development.

Unit of Output: Acres

Data Source: OMBIL

IILLUSTRATION II-3-6

ENVIRONMENT – STEWARDSHIP
FY 09 PERFORMANCE MEASURE
MASTER PLAN COMPLETION

GOAL: Foster healthy lands and waters by balancing public uses and needs, and fully integrate the Corps of Engineers Environmental Operating Principles (EOPs).

Key Result Areas: Environment-Stewardship Results and Justification

Customer: Public

Measure: Percent of Corps-operated water resource projects with completed Master Plans in compliance with Engineering Regulation (ER) 1130-2-550.

> **Master Plan**: The Master Plan is a document that guides the development, management and public use of the project.
>
> **Engineering Regulation (ER) 1130-2-550**: This regulation and its companion guidance, Engineering Pamphlet (EP) 1130-2-550, provide both the policy and guidance governing the preparation and development of Master Plans and Operational Management Plans.

Definition: The number of project required Master Plans in compliance with ER 1130-2-550 divided by the total number of project required Master Plans.

Master Plans shall be developed and kept current for all civil works projects and other fee-owned lands for which the Corps has administrative responsibility for management. To be considered compliant with policy and guidance in ER/EP 1130-2-550, a Master Plan shall address regional and ecosystem considerations, project resource capabilities and suitabilities, and expressed public interests and desires. Of critical importance to Environmental Stewardship, Master Plans shall include a land classification system in accordance with ER/EP 1130-2-550 (that recognizes environmentally sensitive areas) and includes specific natural resource management objectives that support the EOPs.

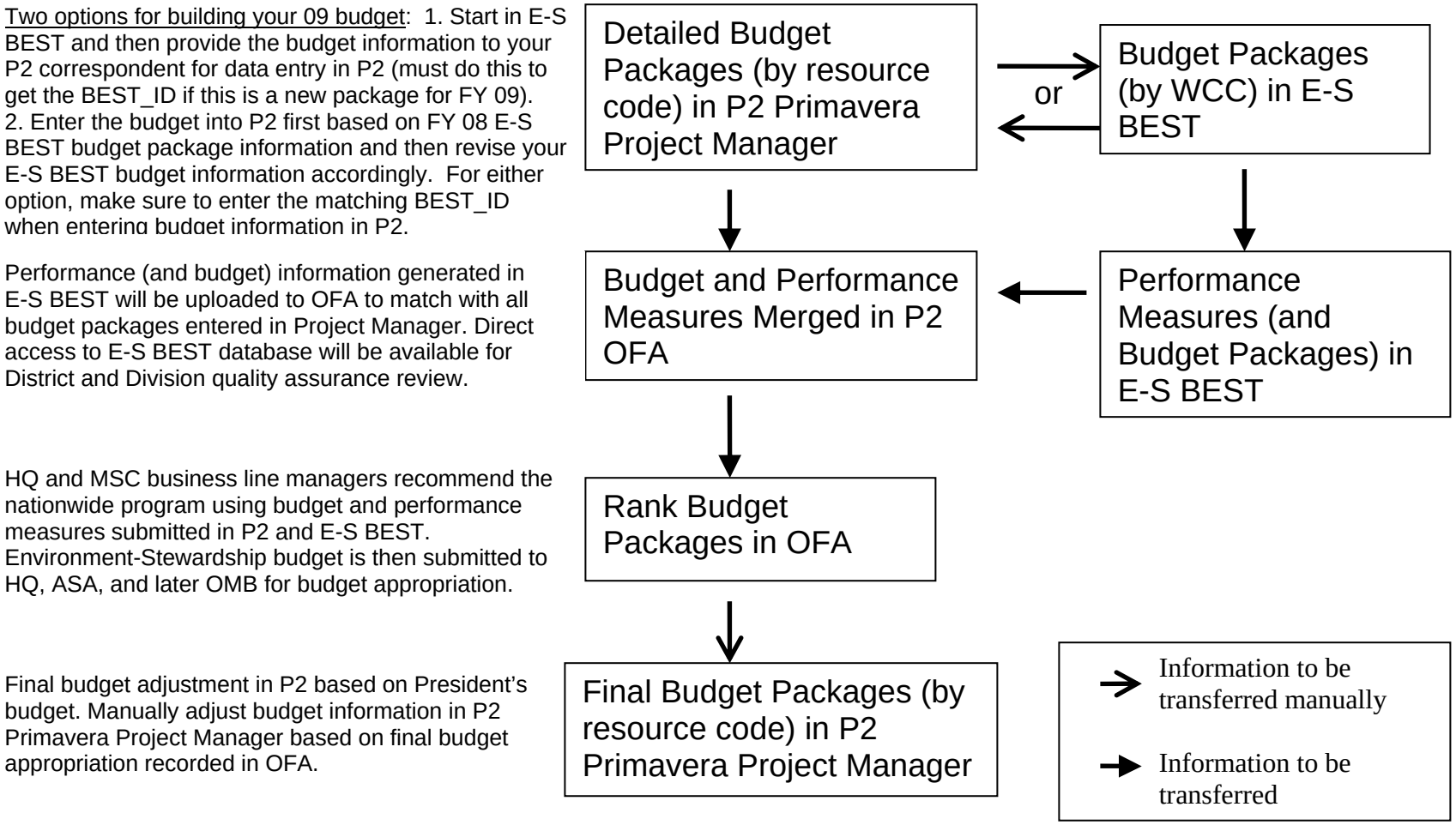
Demonstrates: Corps commitment to fully integrate environmental stewardship and the Corps Environmental Operating Principles in the management of operating projects.

Unit of Output: Compliant Master Plan

Data Source: OMBIL

ILLUSTRATION II-3-7

FY 09 ENVIRONMENT-STEWARDSHIP BUDGET DEVELOPMENT WORKFLOW



Sub-Appendix II-4
FORMERLY UTILIZED SITES REMEDIAL ACTION PROGRAM

II-4.1. **Introduction.**

a. In 1998 Congress directed the Corps to conduct response actions on early atomic energy program sites subject to the administrative, procedural, and regulatory provisions of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and the National Oil and Hazardous Substances Pollution Contingency plan. This program, called the Formerly Utilized Sites Remedial Action Program (FUSRAP) was begun in 1970s by a predecessor agency to the Department of Energy. Response actions under CERCLA consist of: sampling and assessment of contaminated areas, characterization of site conditions, determination of the nature and extent of contamination, selection of the necessary and appropriate response actions as lead Federal agency, cleanup and closeout of sites and other actions necessary for remediation. In addition, the Corps assesses whether other potentially responsible parties are involved and addresses stakeholder environmental and regulatory issues.

b. Twenty-one sites still under evaluation and/or remediation were transferred from DOE to the Corps in FY1998. Two of these sites have been remediated and transferred back to DOE for long-term stewardship. Response activities on three more sites are essentially completed and are in the process of being transferred to DOE for long-term stewardship. Since FY 1998 DOE has identified an additional 13 sites as eligible for FUSRAP. The Corps uses a Potential Sites budget line item to fund the Preliminary Analysis/Site Inspection (PA/SI) for new eligible sites referred by DOE. The Corps has completed the PA/SI on eleven of these sites, eliminating four of them from further consideration and adding seven of these sites into the program for the reason of budgeting additional activities after concluding that a release or threat of release of a hazardous substance exists that warrants response action under CERCLA. Congressional direction resulted in adding one of the sites. The Corps is completing the PA/SI on two of the remaining sites. Funds were budgeted for a total of twenty-two sites in FY08.

II-4.2. **Purpose.** To cleanup contaminated sites throughout the United States where work was performed as part of the Nation's early atomic energy program.

II-4.3. **Goals and Objectives.** The major objectives of the FUSRAP program are to evaluate and remediate, as necessary, sites identified by the Department of Energy (DOE) as eligible for consideration under FUSRAP. Each FUSRAP divisions' multi-year program should be developed and conducted in such a manner that projects are completed as soon as possible and at the lowest cost consistent with cleanup criteria. Criteria utilized are those that are protective of human health and the environment, responsive to regulatory and community interests, and in accordance with the current and reasonably foreseeable future land use.

Table II-4-1
FUSRAP Environmental Performance Measures:

Strategic Goal #2 - Repair past degradation and prevent future environmental losses. From the March 2004 Civil Works Strategic Plan
Strategic Objective 2.3 --- Assist in cleanup of contaminated, hazardous, toxic, and radioactive waste sites as authorized or requested by others.
Performance Measures:
#1 - Number of individual properties returned to beneficial use on a cumulative basis.
#2 – Cumulative percentage of FUSRAP funding that is expended on cleanup activities rather than studies.
#3 – Cubic yardage of contaminated material.
#4 – Number of Records of Decision (RODs) signed on a cumulative basis by the U.S. Army Corps of Engineers.
#5 – Number of Remedial Investigations Completed.
#6 – Number of Remedies in Place or Response Complete.
#7 – Total Cost of disposing of contaminated material as measured in cubic yards.
#8 – Number of Action Memorandums signed.

II-4.4. **Five Year Plan.**

The five year development plan for FUSRAP projects will follow the guidance provided in Section 8 (b)) of the main part of the EC. The five year plan for the program will be finalized at the June 4, 2007 FUSRAP PRP meeting.

The Final PY budget amounts will be provided after OMB Passback and the Divisions' five- year program will be updated. A final five-year plan is prepared for final submission to Congress and OMB in February 2008. The two scenarios are, a) the final budget scenario and b) the high (enacted) scenario.

II-4.5. **Ranking Process.**

a. Project activities lending themselves directly to accomplishment of the FUSRAP objectives and sub-objectives will be prioritized using the following factors to assist in assuring that program goals are being met. The FUSRAP Civil Works Program Manager will hold a program meeting in the third quarter

of the fiscal year to analyze the current year budget, and to project the 10-year requirement at a program level. The FUSRAP team will draft an initial budget increment and additional increments as discussed below. The ranking factors are as follows:

- complete Preliminary Assessment to identify presence of demonstrable or potential threat
- eliminate demonstrable threat to public health, safety, or the environment;
- eliminate potential threat to public health, safety or the environment;
- Federal Facility Agreements (FFA) or other legal/contractual/regulatory requirements;
- completion of final response action;
- efficient design/construction schedule;
- completion of current study or removal phase (RI/FS, EE/CA, etc);
- local support; and
- potentially responsible party issues.

b. The initial program is defined using the following criteria:

(1) Activities necessary to maintain site security and meet legal mandates.

(2) Preliminary Assessments/preliminary legal analysis of potential new sites at minimum sufficient level to determine if immediate human health or environmental safety threats exist. This criterion will be used to identify projects in the potential sites line item within the FUSRAP budget and from any available unobligated carryover funds.

(3) Continue previously awarded contracts for design, removal, or remediation projects under construction phase of remediation.

(4) Continue previously awarded contracts for Remedial Investigation, Feasibility Studies, and Records of Decision activities. Only award new RI/FS/ROD contracts where human health and/or environmental safety threats need to be characterized.

(5) Site closeout activities sufficient to meet legal and health and safety requirements and transition sites to DOE in efficient fashion.

(6) Removal Actions necessary to meet CERCLA criteria for time critical or non-time-critical removals.

(7) Activities necessary to facilitate participation by potentially responsible parties, either as performers of work or contributors of funds toward remediation and closeout.

(8) New contracts for design, removal, or remediation projects must be fully funded following established Civil Works policy (EC 11-2-191**,** Civil Works Execution EC).

II-4.6. **Performance Based Budget Increments.** Add additional budget items for logical, needed increments that contribute to the program performance measures in the table above.

II-4.7. **Program Phases.** Study/Implementation (Construction)

a. The FUSRAP Study Phase includes the following CERCLA processes:

(1) **Preliminary Assessment (PA).** A PA is a limited-scope investigation to collect readily available information about a site and its surrounding area. The PA is designed to distinguish, based on limited data, between sites that pose little or no threat to human health and the environment and sites that may pose a threat and require further investigation. The PA also identifies sites requiring assessment for possible emergency response actions.

(2) **Site Inspection (SI).** SI is an on-site inspection to determine whether there is a release or potential release and the nature of the associated threats. The purpose is to augment the data collected in the preliminary assessment and to generate, if necessary, sampling and other field data to determine if further action or investigation is appropriate.

(3) **Remedial Investigation (RI).** RI is the process undertaken to determine the nature and extent of the problem presented by a release, which emphasizes data collection and site characterization. The remedial investigation is generally performed concurrently and in an interdependent fashion with the feasibility study.

(4) **Feasibility Study (FS).** FS is a study undertaken to develop and evaluate alternatives for remedial action.

(5) **Engineering Evaluation/Cost Analysis (EE/CA).** This document is prepared in the case of a non-time critical removal action. The EE/CA is an analysis of removal alternatives and must satisfy environmental review and administrative record requirements, and provide a framework for evaluating and selecting alternative solutions.

(6) **Record of Decision (ROD).** The ROD is a document prepared in accordance with the requirements of 40 CFR 1505.2 that provides a concise public record of the agency's decision on a proposed action. It identifies alternatives considered in reaching the decision, the environmentally preferable alternative(s), factors balanced by the agency in making the decision, and mitigation measures and monitoring to minimize harm.

b. The FUSRAP Implementation (Construction) phase consists of the following CERCLA processes:

(1) **Remedial Design (RD).** RD is an engineering phase that follows the Record of Decision when technical drawings and specifications are developed for subsequent remedial action.

(2) **Remedial Action (RA).** RA is the actual construction and implementation of a remedial design that results in long-term site cleanup.

(3) **Removal Action (EE/CA)**. An Engineering Evaluation/Cost Analysis (EE/CA) documents a removal action that is used where a site presents a relatively time-sensitive, non-complex problem that can and should be addressed relatively inexpensively. But even expensive and complex response actions may be removal action candidates if they are relatively time-sensitive.

II-4.8. **Work/Activity Increment Guidance.**

Definition of Work Increment: A work increment is a discrete amount of work identified by an activity or a set of activities with specific resource requirements and a schedule.

Definition of Activity: A component of work performed during the course of a project. An activity could be a process (e.g. collection of data) or lead to a deliverable (write a report). Activities are the building blocks of the P2 system – they have assigned durations, resources, and relationships.

These increments do NOT define funding levels.

a**.** Investigation/Study Increments. For increment definitions, refer to the "Definitions/Glossary Section" of the main section of this document**.**

b. Implementation (Construction) phase Increments. For increment definitions, refer to the "Definitions/Glossary Section" of the main section of this document.

II-4.**9 P2 Requirements.** P2 will be used for developing the FY09 budget for FUSRAP. This section provides guidance for each program, but there are certain common structures for each program that will be represented within PPM.

a. The program consists of a set of projects that are included in the budget. These projects consist of a set of activities that are required to fulfill the purpose of the project. For a project in FUSRAP, these activities are required to complete CERCLA phases for that project during the budget year. The activities within these projects require resources. These resources are labor, contracts, travel, supplies and materials, etc. The total cost of supplying these resources for a given activity represents the budget amount that the activity requires within the budget. The total cost of all activities represents the total budget required by the project.

b. The common structure of project – activities – resources is consistent across all programs and provides a hierarchy for summarizing the program as a whole. The performance based budget process also requires a different view of the budget by business. To accommodate this view of the program, each activity is assigned to a business. The tagging of each activity by business allows a view of the budget by business as well as program.

c. Identifying the activities that are part of the budget provides a level of detail and classification to help answer questions by all the various stakeholders for the Corps budget.

d. The instructions that follow describe the specific tasks that must be done to develop the FY09 budget for Corps FUSRAP projects using PPM.

(1) General Directions.

(a) The budget EC for FUSRAP has been changed to reflect the use of P2/OFA in place of ABS. All data that had been captured by ABS can now be captured using P2/OFA tools.

(b) Project managers must direct a local configuration manager to complete two changes to existing P2 projects in order to complete the budget in PM. These changes are:

- Assign a program code in Oracle Projects

- Create a separate, inactive WBS for budget activities

(c) Project managers must assign a program code, if one is not already assigned. The program code will normally be the six character CWIS code that has been assigned in PRISM for the project. If multiple P2 projects have been created from one CWIS, then each P2 project must be assigned the same program code. The program code will allow proposed budgets in P2 to be matched to CEFMS. A P2 OP local configuration manager has the permission to add the program code to a project. The complete list of program codes is under review and will be added to the list of values for the program code in Oracle Projects. The program code can be added after the budget activities are added to a P2 project.

(d) Each program manager will direct a LCM to create a separate WBS for budget development. The WBS should be named Budget. The WBS should be "Inactive" so that proposed budgets will remain in PM alone until ready for transfer to Oracle Projects. Additional child WBS levels can be added if needed to help prepare the budget. At a later date, the WBS will be marked as "Planned" so that the budgets can be transferred to OP. The proposed budgets will not be transferred to CEFMS.

(e) Each project manager must add the activities and resources needed to complete FY 2009 work. The FY2009 budget development EC will guide the content of the work added to P2. All work will be described as one or more activities that require resources to complete.

(2) Budget Data Required for FUSRAP.

For FY09, initial budget increments will be developed at the June 4, 2007 FUSRAP PRP meeting. The initial program will be no more than the amount needed to maintain current services compared to the FY 2008 budget. Recommended budget increments will be capability level funding. Provide capability level funding increments for FY09, FY10, FY11, FY12, and FY13.

The following is a brief description of the additional budget data elements required:

Program Code

The Program Code identifies the AMSCO/CWIS/PWI associated with a P2 project. A Program Code should be assigned to every CW P2 project for which funds are requested. This is especially important in the case where multiple P2 projects have been created which are all associated with a single CWIS in the Corps budget submission to OMB and Congress. A P2 Program Code will need to be entered on each of those P2 projects so that they can be linked together for budget submission purposes. Separable elements are an example of this situation. Normally, the AMSCO number will be used as the Program Code value. The Program Code is a project level code which is entered in Oracle Projects (OP). By default, the Program Budget Submission (PBS) portion of OFA will auto-populate the field (if it's blank) with the Program Code classification that is assigned to the P2 Project in OP. Users have the ability to override that field with a valid Program Code if there's not one assigned in OP. It is strongly recommended, though, that users assign the code in OP so it can be utilized for other OFA reporting purposes (2101's, CWAS, etc).

In Oracle Projects, these codes would need to be defined on each project:

FUSRAP SITE ID NO: Defines the FUSRAP site location
PRIMARY BUSINESS PROGRAM: ENV - FUSRAP
REGULATORY DRIVER: CERCLA

Project ID

This is the P2 project ID assigned when the project is created in OP.

Project Name
This is the P2 project name

Primary Business Program
The primary business program is Civil Works Environmental. Specific templates will be discussed in the June 4, 2007 meeting.

Civil Works FY09 Funding Increment
This data element identifies the business funding increment for each activity. Each activity must be assigned to one and only one increment. The data element, CW FY09 Funding Increment, is used to assign the increment number to each activity. This code will be used to identify an activity as a FY09 budget activity, and will be used to extract FY09 budget activities for OFA. Please do not assign this activity code to any activities that are not part of the FY09 budget. This data element is similar to the funding requirements for FY08. **Initial** amounts will be increment 1.

WCC – CEFMS (Civil Works)
The project manager must assign each activity to a work category code.

Activity ID
The activity ID is a alphanumeric code assigned to each activity. The code must be unique within each project.

Activity Name
This data element describes the work that will be done under the activity.

Task Organization
The task organization is assigned to each activity. The purpose of the task organization is to represent the office where non-labor dollars are scheduled and potentially costed.

Budgeted Total Cost
The budgeted total cost is the sum of the cost of the budgeted amounts for each resource assigned to an activity. All resources required to complete the activity must be entered for each activity to get a correct total.

Start
This is the expected start date for the activity.

Finish
This is the expected finish date for the activity. For the FY2009 budget estimates, the resources for each activity within the limits of the fiscal year must equal the appropriate budget amount.

Ranks – Project, District, Division, Headquarters
These four data elements can be used to specify a rank for each activity within the project, district, division, or Corps. Ranks are not strictly used in the new performance based budget, but these data elements are available for use by each district or MSC, if desired.

Type of Funds
The type of funds describes the appropriation and catclass. This field is usually set at the wbs.

Type of Funds (Override)

This data element overrides the Type of Funds. Some projects may receive multiple types of funds. The override can be used to set the type of funds for some activities.

Area of Responsibility

This data element is set for each project and is the same as the EROC that had been assigned in ABS and is still used in PRISM.

Activity Justification

There is a notebook element called work package justification that must be used to record the justification for an activity. The justification can be "pasted" into the Work Package Justification notebook topic from any Windows document. The term "work package" is a holdover from ABS.

Additional Activity Codes

There may be additional activity codes added to classify an activity. These activity codes will be used to identify special interest codes that may be added to the budget EC.

Budget Data Review

Each district and MSC program managers, business managers, division chiefs, Commanders, and other interested parties can begin review of the FY2009 budget data as soon as it is added by the project manager. Each district and MSC will likely have their own processes to review budget data. Much of the review can be done using Primavera Project Manager and some can be done using Oracle Financial Manager. Budget reports will be developed to show detail and summary data needed to review the budget.

Evaluation of Budget Increments

At the end of the review and approval process for each MSC, the budget data will be extracted. The level of detail of the data, either project-business-increment or process-business-increment-activity, will be determined by the HQ business manager. Once the data is extracted, each MSC will be responsible for adding performance measure data for each increment. The HQ business manager will evaluate each increment in the business area and set the overall rank of each increment.